

Kajal Synthetics And Silk Mills Limited

CIN No. L17110MH1985PLC035204

Regd. Office : 29, Bank Street, 1st Floor, Fort, Mumbai - 400 001

Email : kajalsyntheticsandsilk@gmail.com

Website : www.kajalsynthetics.com

September 5, 2020

BSE Limited

P. J. Tower,

Dalal Street,

Fort, Mumbai 400 001

Ref : Scrip Code – 512147

Sub : Annual Report for the Financial year 2019-20

Dear Sir,

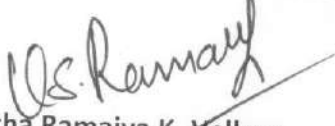
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report for the Financial Year 2019-20

Kindly take the same on record and oblige.

Thanking you.

Yours faithfully,

For **KAJAL SYNTHETICS AND SILK MILLS LIMITED**



Seetha Ramaiya K. Vellore

Managing Director

(DIN-08216198)

KAJAL SYNTHETICS AND SILK MILLS LIMITED

Board of Directors

DIN

Shri. Seetha Ramaiya K. Vellore Managing Director	08216198
Shri. G. M. Loyalka	00299416
Shri. Giriraj Maheswari	00796252
Smt. Rajshree Tapuriah	01655859

Company Secretary:

Ms. Disha Hitesh Jain
Company Secretary & Compliance Officer

Auditor :

M/s D A T A & Co.
Chartered Accountants
401/A, Pearl Arcade, Opp. P. K. Jewellers,
Dawood Baug Lane, Off J. P. Road,
Andheri (West), Mumbai 400 058

Registered Office :

29, Bank Street, First Floor,
Fort,
Mumbai 400 001
CIN – L17110MH1985PLC035204

Registrar & Share Transfer Agent

Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka, Andheri (East),
Mumbai 400 059

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC0035204
Regd. Office: 29, Bank Street, First Floor, Fort, Mumbai 400 001
Website: www.kajalsynthetics.co.in
Email: kajalsyntheticsandsilk@gmail.com

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting (AGM) of the members of **Kajal Synthetics and Silk Mills Limited** (the Company) will be held on Wednesday, the 30th day of September, 2020 at 4.30 pm at the registered office of the Company at 29, Bank Street, First Floor, Fort, Mumbai 400 001 to transact the following business :

Ordinary Business:

1. consider and adopt the Audited Financial Statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a Director in place of Mr. G. M. Loyalka (DIN No: 00299416) who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business :

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

RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 17 and other applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations’), as amended from time to time, Shri Giriraj Maheswari (DIN: 00796252), Non-Executive Independent Director of the Company whose present terms of office as Independent Directors expires at ensuing Annual General Meeting and is eligible for re-appointment and who meets the criteria of Independence as provided in section 149(6) of the Act along with rules framed thereunder and regulation 16(1)(b) of Listing Regulations and who had submitted the declaration to that effect be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendation of Nomination and Remuneration Committee to hold office from second terms of Five years with effect from conclusion of this meeting upto 30th September, 2025

4. To consider and if thought fit, to pass, with or without modification the following Resolution as Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“**the Act**”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 17 and other applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**’), as amended from time to time, Smt. Rajshree Tapuriah (DIN:01655859), Non-Executive Independent Director of the Company whose present terms of office as Independent Directors expires at ensuing Annual General Meeting and is eligible for re-appointment and who meets the criteria of Independence as provided in section 149(6) of the Act along with rules framed thereunder and regulation 16(1)(b) of Listing Regulations and who had submitted the declaration to that effect be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendation of Nomination and Remuneration Committee to hold office from second terms of Five years with effect from conclusion of this meeting upto 30th September, 2025

5. To consider and if thought fit to pass, with or without modification, the following resolution as Ordinary Resolution

RESOLVED THAT pursuant to provision of sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 (“**the Act**”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s) or re-enactment(s) or substitution(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification thereof or supplements therein (“**SEBI Listing Regulations**’) subject to Articles of Association of the Company and subject to approval of Central Government, if any and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Seetha Ramaiya K. Vellore (DIN-08216198) as Managing Director of the Company, for a period of 3 (Three) years with effect from 1st October, 2020 on payment of Remuneration of Rs. 17.18 Lakh only with yearly increment below 20% each year, as may be decided by the Board of Director

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 of the Act read with Schedule V of the Act, where in any financial year during the currency of tenure of Managing Director, the Company has no profits or if its profits are inadequate, the Company shall pay the above remuneration to the Managing Director.

FURTHER RESOLVED THAT the Board be and is hereby authorized to vary, amend, modify or revise the terms of Remuneration payable from time to time, to the extent the Board may deem appropriate provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Mumbai in connection with such appointment and payment of remuneration and to seek approvals and settle any questions, difficulties or doubts that may arise in this regards without further referring to the Members of the Company.

**By order of the Board of Directors of Directors of
Kajal Synthetics and Silk Mills Limited**

**Disha Hitesh Jain
Company Secretary**

Place: Mumbai

Date: 5th September, 2020

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to certain ordinary business and the special business to be transacted at the 32nd Annual General Meeting is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Registrar of Directors, Key Managerial Personnel and their shareholdings and other requisite documents shall be available for inspection electronically.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his / her behalf and the proxy need not be the members of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Annual Report including Notice of AGM has been uploaded on the website of the Company www.kajalsynthetics.co.in and the same is attached to the email sent to you for the AGM. The same can be accessed and download from the website of Stock Exchange – The BSE Limited at www.bseindia.com and from the website of National Securities Depository Limited at e-voting@nsdl.co.in.
4. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020, (both days inclusive) for the purpose of AGM.

6. EVOTING:

- i) Pursuant to Section 108 of the Companies Act, 2013 and in compliance with the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that all the business mentioned in the notice may be transacted through electronic voting system and the Company is providing facility by electronic means.
- ii) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Shareholders of the Company to cast their votes electronically.
- iii) The Board of Directors of the Company has appointed Mr. Girish Murarka, Proprietor of GIRISH MURARKA & CO. practicing Company Secretaries, Mumbai to conduct and scrutinize the e-voting process in a fair and transparent manner.

7. The instruction for shareholder for remote e-voting are as under

The way to vote electronically on NSDL e-voting system consist of Two Steps which are mentioned below:

Step 1 : Login to NSDL e-voting system at <http://www.evoting.nsdl.com>

- a) Visit the e-voting website of NSDL. Open web browser by typing the following URL : <http://www.evoting.nsdl.com> either on your Personal Computer or on a mobile
- b) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder section
- c) A new screen will be open. You will have to enter your User ID, your Password and verification code as shown on the screen

Step 2 : Casting your vote electronically

d) User ID details are given below:

Manner of holding shares ie Demat (NDSL or CDSL) Or Physical	Your User ID is :
a) For Members holds the share in Demate Account with NDSL	8 character DP ID followed by 8 digit client ID for example your DP ID is IN300*** and your Client ID is 12***** then your User ID is IN300***12*****
b) For Members holds the share in Demate Account with CDSL	16 digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your User ID is 12*****

e) Your Password details are given below:

- i) If you are already registered for e-voting, then you can use your existing password to login and cast your vote
- ii) If you are using NSDL e-voting system for the first time, your will need to retrieve the 'initial password', your need enter the initial password and the system will force you to change your password
- iii) How to retrieve initial password?
 - a) If your email id is registered in your Demat Account or with the Company, the initial password is communication to you on your email id. Trace the email sent to you from NSDL from your email box. Open the email and open the attachment which is in PDF. Open the pdf file. The password to open the pdf file is your 8 digit Client ID for NSDL Account, last 8 digit of your Client ID for CDSL Account
 - b) If your email id is not registered, your initial password will be communicated to you on your postal address
- f) If you are unable to retrieve or have not received your initial password or have forgotten the password - Click on 'Forgot user detail / password' (if you are holding the share in demat account with NSDL / CDSL) option available on www.evoting.nsdl.com .
- g) After entering your password, Tick on Agree to " Terms and conditions" by selecting on the check box.
- h) Now you have to click on "Login" button
- i) After you click on Login button, home page of e-voting will open

Step 2: Cast your vote electronically on NSDL e-voting system

- a) After successful login at Step 1, you will be able to see Home Page of e-voting. Then click on Active voting cycle.
- b) After click on Active voting cycle, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status
- c) Select "EVEN" of the Company for which you wish to cast your vote
- d) Now you are ready for e-voting as the voting page opens
- e) Cast your vote by selecting appropriate option ie. Assent or Dissent, verify / modify Number of shares for which you cast your vote and click on submit and confirm when prompted
- f) After confirmation, Vote casted successfully will be displayed
- g) You can also take the print out of your votes casted by you, by clicking on the print out option on the confirmation page
- h) Once you confirm your vote on the resolution

8. GENERAL INFORMATION FOR THE SHAREHOLDERS

- a) The Voting rights of the members shall be in proportion to their shares fully paid equity capital as on the cut off date 23rd September, 2020
- b) The e-voting period commences on Sunday, 27th September, 2020 commences at 9.00 am and ends on Tuesday, 29th September, 2020 at 5.00 pm. At the end of the voting period, the portal where votes are cast shall forthwith be blocked. The cut off date for Remote e-voting is 23rd September, 2020
- c) Mr. Girish Murarka, Practicing Company Secretary having COP-4576, Proprietor of GIRISH MURARKA & CO., Mumbai, the scrutinizer will, on 3rd October, 2020 i.e. within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any and submit to the Chairman of the Annual General Meeting of the Company.
- d) The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL within two days of passing of the resolution.
- e) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.

9. Name, designation, address, email id and phone no. of the person responsible to address the grievances connected with facility for voting by electronic means.

Name:- Ms. Disha Hitesh Jain

Designation:- Company Secretary and Compliance Officer

Address: 29, Bank Street, First Floor, For, Mumbai 400 001

Email : kajalsyntheticsandsilk@gmail.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013
ANNEXURE TO THE NOTICE

Item No. 3 and 4

Shri Giriraj Maheswari (DIN 00796252) and Smt. Rajshree Tapuriah (DIN 01655859) were appointed as an Independent Director on the Board of the Company pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement by the members. In accordance with Section 149(10) of the Act, an Independent Director shall hold office for a term upto five years on the Board and shall be eligible for re-appointment on passing a Special Resolution Section 149(11) of the Act provides that an Independent Director may hold office for two consecutive terms of five years each. Taking into consideration their skills, experience, knowledge and their valuable contribution to the Company and based on their performance evaluation, it is desirable to continue to avail their services and reappoint them for a second term of five years to hold office with effect from conclusion of this Annual General Meeting 30th September, 2025

Accordingly, the Board of Directors have at the Meeting held on 5th September, 2020, based on the recommendation of the Nomination and remuneration Committee, recommended the reappointment Shri Giriraj Maheswari (DIN: 00796252) and Smt. Rajshree Tapuriah (DIN:01655859) as Independent Director of the Company for second term, as aforesaid. Independent Directors, are not liable to retire by rotation. They also have given declaration that they are not disqualified from being reappointed as Independent Director in terms of Section 164 of the Act and have given their consent to act as an Independent Directors. The Company has also received declaration from them that they meet the criteria of independence as prescribed under the Act and the Listing Regulations. In terms of Regulation 25(8) of the 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. Shri Giriraj Maheswari (DIN: 00796252) and Smt. Rajshree Tapuriah (DIN:01655859) have also given declaration that they are not debarred from holding office of director by virtue of any order passed by Securities and Exchange Board of India or any other such authority. The terms and conditions of reappointment of independent Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day of the Company and will also be kept open at the venue of the AGM till the conclusion of the AGM.

None of the Director, other than the Directors proposed to be appointed (in their respective resolutions of appointment), Key Managerial Personnel or their relatives, are directly / indirectly concerned or interested, financial or otherwise in this resolution.

Item No. 5

Shri Seetha Ramaiya K. Vellore (DIN-08216198) was appointed as the Managing Director of the Company for the period of two year with effect from 1st October, 2018 after obtaining the due approval of the members of the Company in the 30th Annual General Meeting. Accordingly, the present terms of Mr. Seetha Ramaiya K. Vellore come to an end on 30th September 2020. The Board, in its meeting held on 5th September, 2020 has approved the re-appointment of Shri Seetha Ramaiya K. Vellore (DIN-08216198) as Managing Director of the Company for further period of Three year after its current tenure end (ie 30th September, 2020) subject to approval of members of the Company at the ensuing General Meeting. The Board has taken the decision of the said re-appointment based on the recommendation of Nomination and Remuneration Committee.

Shri Seetha Ramaiya K Vellore (DIN-08216198) is not disqualified from being re-appointed as Director or Managing Director in terms of section 164 of the Companies Act, 2013. He has communicated his willingness and has given his consent to act as Managing Director of the Company. He satisfies all the conditions as set out in section 196(3) of the said Act and Part-I of schedule V thereof and hence eligible for re-appointment.

Shri Seetha Ramaiya K. Vellore and his relatives may be deemed to be interest in the resolution at item no. 5 of the Notice. Save as aforesaid, None of the Directors of the Company, Key Managerial Personnel of the Company and their relative is concerned or interested, financially or otherwise, in any way, in the said resolution set out at item no. 5 of the notice.

**By order of the Board of Directors of Directors of
Kajal Synthetics and Silk Mills Ltd**

**Disha Hitesh Jain
Company Secretary**

Place: Mumbai

Date: 5th September, 2020

Annexure "A"

Information on Director being appointed / re-appointed as required under regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of Secretarial Standard on General Meeting (SS-2)

Name of Director	G. M. Loyalka	Giriraj Maheswari	Rajshree Tapuriah	Seetha Ramaiya K. Vellore
DIN	00299416	00796252	01655859	08216198
Date of Birth	26.01.1943	06.05.1980	02.05.1950	15.03.1966
Relationship with other Director inter-se	Nil	Nil	Nil	Nil
Date of Appointment	14.11.2014	14.11.2014	30.03.2015	01.10.2018
Expertise in specialized area	Finance & Business Strategy	Management & Admin	Management & Admin	Finance & Accounts
Qualification	B.com	C.A.	B.A.	B.com
No. of Equity Shares held in the Company	Nil	Nil	Nil	Nil
Directorship in other public Limited Company	1.Kajal Synthetics and Silk Mills Limited 2.Jatayu Textiles and Industries Limited 3.Aakarshak Synthetics Limited 4.Park Avenue Engineering Limited 5.Sushree Trading Limited	1.Hirajuli Tea Company Ltd	1.Kajal Synthetics and Silk Mills Limited	Nil
Chairman/Membership of the Committee of other Company	Nil	Nil	Nil	Nil

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC035204
Regd. Office: 29, Bank Street, 1st Floor, Fort, Mumbai 400 001
Telephone No. : 9821903049, Website: www.kajalsynthetics.com
Email: kajalsyntheticsandsilk@gmail.com

DIRECTORS REPORT

To,
The Members,

The Directors of your Company are pleased to present their Thirty Second Annual Report and the Audited Financial Statements of **Kajal Synthetics and Silk Mills Limited** for the financial year ended 31st March, 2020

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2020 is summarized below:

Particulars	Amount in Rs.			
	Standalone		Consolidated	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations	4,54,75,381	5,22,08,726	4,54,75,381	5,22,08,726
Other Income	4,61,195	1,81,233	4,61,195	1,81,233
Total Income	4,59,36,576	5,23,89,959	4,59,36,576	5,23,89,959
Expenditure	15,85,05,803	8,00,50,614	15,85,05,803	8,00,50,614
Profit /(Loss) before tax	(11,25,69,227)	(2,76,60,655)	(11,25,69,227)	(2,76,60,655)
Share in Profit /(Loss) of Associates	-	-	(14,90,308)	(7,85,512)
Tax Expenses	-	-	-	-
Excess/(Short) Tax provisions	-	-	-	-
Profit / (Loss) after Tax	(11,25,69,227)	(2,76,60,655)	(11,40,59,535)	(2,84,46,168)
Other Comprehensive Income/(Loss)	(83,54,73,869)	22,68,77,292	(83,54,73,869)	22,68,77,293
Total Comprehensive Income/(Loss) for the year	(94,80,43,095)	19,92,16,638	(94,95,33,403)	19,84,31,125

IMPACT OF COVID - 19

The COVID-19 was declared a Global pandemic on 11th March, 2020 by World Health Organization (WHO) and that Government of India announced a Lockdown on 24th March, 2020. We believe that the impact assessment of this pandemic is a continuous evolving process, given its intensity in the Financial Capital of India. The Management has, at the time of approving the financial statements, assessed the potential impact of COVID – 19 on the Company. Barring any future COVID-19 related escalations, based on the current assessment, the Management is of the view that the impact of COVID-19 on the operations of the Company

INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 notified the Company (Indian Accounting Standard) Rules 2015, applicable to certain class of the Companies. In pursuance to the said notification read with the Companies (Indian Accounting Standard) (Amendment) Rules, 2016, Ind As became applicable to your Company with effect from 1st April, 2019. Accordingly, Standalone and Consolidated Financial Statements for the year ended 31st March, 2020, have been prepared in accordance with Ind AS, and consequently, the Financial Statements for the previous years have been restated to conform to the provisions of the IND AS

PERFORMANCE REVIEW

The company has adopted Ind AS for reporting financial results for the year under review against previously India GAAP. During the year under review, the Company's netted Loss of Rs 11,25,69,227 before tax (Previous Year Net Loss of Rs. 2,76,60,655) and net total comprehensive Loss for the year after tax was at Rs. 94,80,43,095 (Previous Year total comprehensive Income of Rs. 19,92,16,638).

The Company is engaged in the business of Financing and Investment activities. There have been no changes in the business of the Company during the financial year under review.

FINANCE

Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirements in order to support the business operations uninterrupted.

DIVIDEND

In view of the loss during the year under review, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

In view of losses during the year under review, the Company has transferred not transferred any amount to Reserve Fund under RBI Act, 1934

PUBLIC DEPOSIT

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

The Authorised Share Capital as on 31st March, 2020 was Rs.2,00,00,000 /-(Rupees Two Crore Only) divided into 20,00,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2019-20

The Issued Share Capital as on 31st March, 2020 was Rs 1,99,20,000/- (Rupees One Crore Ninety Nine Lac Twenty Thousand Only) divided into 19,92,000 Equity Shares of Rs. 10/- each.

SUBSIDIARY:

As at the end of the year under review i.e. on 31st March, 2020 and also as on the date of this report, your Company does not have any Subsidiary.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure 1**.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES , ASSOCIATE OR JOINT VENTURES

Pursuant to section 129(3) of the Companies Act, 2013, the statement containing the salient feature of financial statement of Company's subsidiary, associate and joint venture of the Company are as under:

The Company does not have subsidiary Company.

Further, brief about the only following Associate Companies, is given hereunder:

1. Park Avenue Engineering Limited (Associate)

Park Avenue Engineering Limited (Park Avenue) is registered with Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) in the category of the Company not accepting / holding public deposits.

The Total Revenue of Park Avenue during Financial Year 2019-20 was Rs. 5,13,006 and Net Loss After Tax was Rs. 2,47,697

2. Five Star Trading & Investment Company Limited (Associate)

Five Star Trading & Investment Company Limited (Five Star) has paid up capital of Rs. 25,50,500/-. It does not have any substantial business.

The Total Revenue of Five Star during Financial Year 2019-20 was Rs. 21,55,407 and Net Loss After Tax was Rs. 29,35,288

The details of Company's subsidiary, associate and Joint Venture Company as on 31st March, 2020 is given in **Annexure 2**

The Company does not have any Joint Venture.

PARTICULARS OF EMPLOYEES

There was no employee in the company drawing remuneration in excess of the limits set out in the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as "**Annexure-3**".

Furthermore, the disclosures pertaining to remuneration and Top Ten Employees details are provided in the Annual Report as "**Annexure-4**".

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause (B) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, A detailed Management Discussion and Analysis Report on the Financial Conditions and Result of operations of the Company is included in this Annual Report under the heading "**Annexure-5**".

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company had not entered into any transactions as enumerated in section 188 of the Companies Act, 2013 and rules made thereunder with the related party as defined under section 2(76) of the Act.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

CEO / CFO CERTIFICATION:

As required by Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, The CEO / CFO certificate for the financial year 2019-20 has been submitted to the Board and the copy thereof is contained in the Annual Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. The Company has in place adequate internal financial control system which ensure orderly and efficient conduct of its business, safeguarding of its assets and accuracy and completeness of accounting records, timely preparation of reliable financial information and various regulatory and statutory compliance

Further, company's internal control system is commensurate with the size, scale and complexity of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks with best practices in the industry. The Management with Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business.

RISK MANAGEMENT

The Company operates in conditions where economic environment and social risk are inherent to its businesses. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects.

The various elements of risk which the Directors think, that may threaten the existence of the Company are:

- a) **Financial Risk:** Financial risk generally arises due to instability and losses in the financial market caused by movements in stock prices, currencies, interest rates and more.
- b) **Liquidity Risk:** It is the risk that the Company will be unable to meet its financial commitment to a Bank/Financial Institution in any location, any currency at any point in time. The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.
- c) **Credit Risk:** The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.
- d) **Time Risk:** To compensate for non-receipt of expected inflow of funds.

In line with Listing Regulations and as per the requirement of Section 134(3) (n) of the Companies Act, 2013 read with the rules made there under, as amended, Board has a framework for Risk Management to oversee the mitigation o such risks.

REMUNERATION POLICY

The Nomination and Remuneration Policy of the company as mandated under Section 178 (3) (4) of the Companies Act, 2013 is available on the website of the company

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and of loss of the Company for year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statement of your Company for the Financial Year 2019-20 is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism (Whistle Blower Policy) for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder. This vigil mechanism shall provide a channel to the employees and Directors to report to the management, concerns about unethical behavior, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional. The practice of the Vigil Mechanism /Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee.

The Company will take appropriate action for its resolution. During the year, no whistle blower event was reported and mechanism is functioning well.

CODE OF CONDUCT

Company's Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website www.kajalsynthetics.co.in. All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for Board

Members and Senior Management during the financial year 2019-20. The declaration in this regard has been made by the Management Director which forms the part of this report as an annexure.

CORPORATE GOVERNANCE

As per Regulation 15(2) of the Listing Regulations, the compliance with the Corporate Governance provisions shall not apply in respect of the following class of companies:

- a. Listed Entity having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year;
- b. Listed Entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (a); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it also does not form part of the Annual Report.

DISCLOSURE OF SECRETARIAL STANDARD BY DIRECTORS

The company complies with all applicable standards issued by the institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

The company complies with all applicable standards issued by the institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PREVENTION OF INSIDER TRADING

The Company has adopted the Code of conduct for prevention of Insider Trading with view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in Company's Shares and prohibit the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading window is closed. The Board is responsible for implementation of the code. All Board of Directors and the designated employees have confirmed the compliance of code.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the Audited Financial Statements, wherever applicable.

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

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

There were no foreign exchange earnings and outgoings during the year under review.

DIRECTORS AND KMP

Mr. G. M. Loyalka (DIN – 00299416) who is retiring by rotation at this Annual General Meeting is to be re-appointed. His involvement with the affairs of the Company is beneficial to the Company as well as Stakeholders.

The board has recommended re-appointment of Shri Giriraj Maheswari and Smt. Rajshree Tapuriah as Independent Directors for second term of five years subject to approval by members by way of special resolutions and brief profile of the Independent Directors is stated in the Notice of ensuing AGM.

During the year under review, Mr. Ramswarup S. Jalan was appointed as Chief Financial Officer of the Company by the Board of Director with effect from 23rd April, 2019

APPOINTMENT OF MANAGING DIRECTOR

Mr. Seetha Ramaiya K. Vellore was appointed Director in 30th Annual General Meeting held on 24.09.2018 and Managing Director in the same Annual General Meeting with effect from 1st October, 2018. The Board recommends the appointment of Mr. Seetha Ramaiya K. Vellore for further term of Three year (ie upto 30th September, 2023 at the remuneration of Rs. 17.18 Lakh per annum with each increment at the rate below 20% upto 30th September, 2023.

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate the process of evaluating the performance of Individual Directors, Committees of the Board and the Board as whole.

The Nomination and Remuneration Committee of the Company also evaluated the performance of all individual Directors on various parameters such as level of participation of Directors, preparing themselves well in advance to take active participation at the meeting(s), level of knowledge and expertise etc.

All the Independent Directors of the Company also had a separate meeting on 13th February, 2020 to review the performance and evaluation of Non-Independent Directors and Board as a whole.

The Board after taking into consideration the evaluation as done by Nomination and Remuneration Committee and by Independent Directors, carried out an annual evaluation of its own performance and that of its Committees and individual Director. The overall outcome of such evaluation is that the Board, its committees and individual Directors have performed effectively and satisfactorily

DECLARATION OF INDEPENDENT DIRECTOR

All the Independent Director have confirmed to the Board that they meet the criteria of Independence as specified under section 149(6) of the Companies Act, 2013 and they qualify to be an Independent Director pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors), Rule 2014. The Independent Directors have also confirmed that they meet the requirements of "Independent Director" as mentioned under Regulation 16(1)(b) of the Listing Regulations.

BOARD MEETINGS

During the year under review the Company held Eight (7) meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 23rd April, 2019, 29th May, 2019, 28th June, 2019, 5th September, 2019, 14th September, 2019, 13th December, 2019 and 13th February, 2020

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and compliances of Secretarial Standards-1 (SS1) on Meeting of the Board of Directors issued by ICSI. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013, the Listing Regulations and SS-1.

BOARD COMMITTEE – AUDIT COMMITTEE

The Audit Committee is constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial / accounting expertise / exposure. Further, all the recommendations made by the Audit Committee were duly accepted by the Board of Directors. The Company Secretary is acting as Secretary of this Committee. The Managing Director and CFO are the

permanent invitee to Audit Committee to give clarification on accounts and other related issues.

The Composition of Audit Committee as on 31.03.2020 are as under :

Sr. No.	Name of the Director	Position	Category
1	Smt. Rajshree Tapuriah	Chairman	Independent Director
2	Shri. Giriraj Maheswari	Member	Independent Director
3	Shri. Nitin Agrawal	Member	Managing Director

Four meetings of the Audit Committee were held during the financial year 2019-20 on 29th May 2019, 14th September 2019, 13th December 2019 and 13th February, 2020. The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration.

BOARD COMMITTEE – NOMINATION AND REMUNERATION

The Nomination and Remuneration Committee is constituted pursuant to the provisions of of Section 178 of the Companies Act, 2013. Members of the Nomination and Remuneration Committee possess sound expertise / knowledge / exposure. The Company Secretary of the Company is the Secretary of this committee

The Composition of Nomination and Remuneration Committee as on 31.03.2020 are as under:

Sr. No.	Name of the Director	Position	Category
1	Smt. Rajshree Tapuriah	Member	Independent Director
2	Shri. Giriraj Maheswari	Member	Independent Director
3	Shri. G. M. Loyalka	Chairman	Non-Executive Director

Three meetings of the Nomination and Remuneration Committee were held during the financial year 2019-20 on 23rd April, 2019 and 13th February, 2020.

AUDITORS:

M/s D A T A & Co., (Earlier know as K. K. Khadaria & Co) Chartered Accountants, Mumbai (Firm Registration No. 105013W) the Statutory Auditor of the Company were appointed in the 29th Annual General Meeting of the company held on 27th September, 2017 from conclusion of the said meeting until the conclusion of 34th Annual General Meeting (subject to ratification of their appointment by the members at every Annual General Meeting) at such remuneration fixed by the Board of Directors.

The Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 have since been amended vide notification dated 7th May, 2018 of Ministry of Corporate Affairs and the requirement of ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting has been done away with. Accordingly no ratification of Appointment of M/s M/s D A T A & Co, Chartered Accountants, as the Statutory Auditors of the Company by the members is being sought in the ensuing Annual General Meeting.

During the year, the Statutory Auditors have confirmed that they satisfy the Independence Criteria required under the Companies Act, 2013 and Code of Ethics issued by the Institute of Chartered Accountants of India

AUDITORS REPORT

The observation of the Auditors in their report read with relevant notes on the accounts, as annexed are self-explanatory and do not call for any further explanation under section 134(3)(f)(i) of the Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s Girish Murarka & Co., Company Secretaries in Practice having membership No. 7036 to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2019-20 as issued by him in the prescribed Form MR-3 is annexed to this Report as **Annexure IV**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Secretarial Auditor.

Further, the Board of Directors has approved the reappointment of **M/s. Girish Murarka & Co.** Company Secretaries, Mumbai as "Secretarial Auditors" for conducting Secretarial Audit for the financial year 2020-21.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the rules made thereunder the Board of Directors had approved the appointment of M/s Milind P. Shah, Chartered Accountants, as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2019-20. The Internal Audit Reports for each quarter were received by the Company and the same were reviewed by the Audit Committee and Board of Directors.

Further, the Board of Directors has approved the reappointment of M/s Milind P. Shah., Chartered Accountants, as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2020-21.

COST AUDIT

The provisions of Cost Audit as prescribed under section 148 of the Companies Act, 2013 are not applicable to the Company

COST AUDIT

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares

- There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.

- There was no revision in the financial statements.

- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

APPRECIATION

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**

**Place : Mumbai
Date : 05.09.2020**

**G. M. Loyalka
Director
(DIN: 00299416)**

**Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

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

KAJAL SYNTHETICS AND SILK MILLS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17110MH1985PLC035204
ii) Registration Date: 29.01.1985
iii) Name of the Company: Kajal Synthetics and Silk Mills Limited
iv) Category / Sub-Category of the Company: Company having Share Capital
v) Address of the Registered Office and contact details: 29, Bank Street, First Floor, Fort, Mumbai 400 001
vi) Whether listed company Yes
vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol, Naka, Andheri (E), Mumbai 400 059
Tele: 022-4227 0400

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Investment Activity	64200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	CIN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Park Avenue Engineering Limited	U27200MH1985PLC035603	Associate	44.11	Section 2(6)
2	Five Star Trading & Investment Company Limited	U67120MH1982PLC027789	Associate	47.05	Section 2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	1283350	0	1283350	64.43	1283350	0	1283350	64.43	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL:(A) (1)	1283350	0	1283350	64.43	1283350	0	1283350	64.43	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	

b) Other Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
e) Any other...	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1283350	0	1283350	64.43	1283350	0	1283350	64.43	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
C) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	693650	693650	34.82	0	693650	693650	34.82	0
ii) Overseas	0	0	0	0.00	0	0	0	0.00	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	15000	15000	0.75	0	15000	15000	0.75	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	0	708650	708650	35.57	0	708650	708650	35.57	0

Total Public Shareholding (B)= (B)(1)+(B)(2)	0	708650	708650	35.57	0	708650	708650	35.57	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	1283350	708650	1992000	100.00	1283350	708650	1992000	100.00	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mragya Finance and Investment Private Limited	467200	49.55	0	467200	49.55	0	0
2	Peigeon Finance and Investment Private Limited	396050	19.88	0	396050	19.88	0	0
3	Pick Me Quick Holdings Private Limited	420100	21.09	0	420100	21.09	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the Promoter

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

Sr.No	For Each of the Top 10 Shareholders	Date of Change	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	No. of shares	No. of shares	% of total shares of the Company
1	Benhur Investment Company Pvt. Ltd	No Change	452650	22.72	452650	22.72
2	Five Star Trading & Investment Company Limited	No Change	241000	12.09	241000	12.09
3	Lakhwani Krishnachand	No Change	100	0.01	100	0.01
4	Bala Jajoo	No Change	100	0.01	100	0.01
5	Sushila Devi Jain	No Change	100	0.01	100	0.01
6	Pramil Mathur	No Change	100	0.01	100	0.01
7	Renu Bhandari	No Change	100	0.01	100	0.01
8	Rekha Kothari	No Change	100	0.01	100	0.01
9	Dinesh Mundra	No Change	100	0.01	100	0.01
10	B. B. Chandak	No Change	100	0.01	100	0.01

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans Amount (Rs.)	Deposits	Total Indebtedness Amount (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount*	Nil	57,00,00,000	Nil	83,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

Change in Indebtedness during the financial year				
* Addition	Nil	46,50,00,000	Nil	57,00,00,000
* Reduction	Nil	57,50,00,000	Nil	83,00,00,000
Net Change	Nil	(9,00,00,000)	Nil	(26,00,00,000)
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	46,00,00,000	Nil	57,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	46,00,00,000	Nil	57,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Rs. in Lakh

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Seetha Ramaiya K. Vellore - Managing Director	
1.	Gross salary	17,17,900	17,17,900
	a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961.		
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961.	Nil	Nil
	c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil
		-	
2.	Stock Option	Nil	Nil
3.	Sweat Equity	-	-
4.	Commission <ul style="list-style-type: none"> • As %of profit • Others,specify... 	-	-
5.	Others, please specify	-	-
	Total (A)		-
	Overall Ceiling as per the Act	-	-

A. Remuneration to other directors: NIL

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		----	---	---	---	
	1. Independent Directors					
	<ul style="list-style-type: none"> • Fee for attending board committee meeting • Commission • Others, please specify 					
	Total(1)	-	-	-	-	-
	2. Other Non-Executive Directors					
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 					
	Total(2)	-	-	-	-	-
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

B. Remuneration to key managerial personnel other than MD/Manager/WTD:

S No	Particulars of Remuneration	Rs. in Lakh		
		Key Managerial Personnel		
		CFO	Company Secretary	Total
.			3,24,000	3,24,000
1.	Gross salary (d) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (e) Value of perquisites u/s 17(2) Income-tax Act, 1961 (f) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		
2.	Stock Option	-	-	-
3.	Sweat Equity	-	--	-
4.	Commission <ul style="list-style-type: none"> • As % of profit • Others specify... 	-	--	-
5.	Others, please specify	-	-	-
	Total	-		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**

**Place : Mumbai
Date : 05.09.2020**

**G. M. Loyalka
Director
(DIN: 00299416)**

**Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)**

Annexure II

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures
Part "A": Subsidiaries**

Name of the subsidiary	Nil
1. Date on which the subsidiary was acquired	
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
3. Share capital	
4. Reserves & surplus	
5. Total assets	
6. Total Liabilities	
7. Investments	
8. Turnover	
9. Profit before taxation	
10. Provision for taxation	
11. Profit after taxation	
12. Proposed Dividend	
13. % of shareholding	

The following information shall be furnished:-

- 1. Names of subsidiaries which are yet to commence operations**
- 2. Names of subsidiaries which have been liquidated or sold during the year.**

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Rs. in Lakh	
	Park Avenue Engineering Limited	Five Star Trading & Investment Company Limited
1. Latest audited Balance Sheet Date	31.03.2020	31.03.2020
2. Date on which the Associate or Joint Venture was associated or acquired	24.03.2008	26.03.2008
3. Shares of Associate/Joint Ventures held by the company on the year end		
No.	2154250	120001
Amount of Investment in Associates/Joint Venture	224.60	120.30
Extend of Holding %	44.11%	47.05%
4. Description of how there is significant influence	Since the Company holds more than 20% equity capital, significant influence is assumed.	Since the Company holds more than 20% equity capital, significant influence is assumed.
5. Reason why the associate/joint venture is not consolidated	N.A	N.A
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	228.23	178.20
7. Profit / Loss for the year		
i. Considered in Consolidation	(1.09)	(13.81)
ii. Not Considered in Consolidation	Nil	Nil

The following information shall be furnished: -

1. **Names of associates or joint ventures which are yet to commence operations: Nil**
2. **Names of associates or joint ventures which have been liquidated or sold during the year: Nil**

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**

**Place : Mumbai
Date : 05.09.2020**

**G. M. Loyalka
Director
(DIN: 00299416)**

**Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)**

KAJAL SYNTHETICS AND SILK MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Although Financial Services Industry is amongst the oldest industries in India but it is not growing very rapidly. It is an industry, which has evolved into a highly competitive and innovative driven industry, characterized by the presence of various sizes of players varying from solo-operators to small to medium sized niche players as well as established big players operating in different spaces in the entire spectrum of services.

Opportunities and Threats

Revival of stock markets and bullish sentiments appears to be opportunity for the company. The volatility in the market indices in the financial year under report represents both an opportunity and challenge for the Company. With the stability of Government at the Centre, the capital market segment would significantly improve

Tough competition, slow economic growth and depressed stock markets seem to be the biggest threats to the industry. The Capital market activities in which most of our activities depends on is also influenced by global events happening in the US, UK and China, hence there is an amount of uncertainty in the near term outlook of the market.

Segment-wise-Performance

Your Company operates only single segment which is non-banking financial services (Granting/taking of loans and making Long term Investments).

Future Outlook

Looking at good market sentiments steep rise is expected in near future. As a result, stock market will boost up and the Company is expected to show a better performance in the years to come.

Your Company continue to see the significant opportunity in the market and will use periods of interim weakness as investment opportunities on long term.

Risk and concerns

Tough competition, slow economic growth, rapid changing statues and regulatory framework, etc. are the major risk areas in the Company's business. By using our experience, we hope to perform better in the year to come in spite of these risks.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company had adequate internal control system commensurate with its size and nature of business. Your company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes.

FINANCIAL & OPERATIONAL PERFORMANCE

The company has adopted Ind AS for reporting financial results for the year under review against previously India GAAP. During the year under review, the Company's netted Loss of Rs 11,25,69,227 before tax (Previous Year Net Loss of Rs. 2,76,60,655) and net total comprehensive Loss for the year after tax was at Rs. 94,80,43,095 (Previous Year total comprehensive Income of Rs. 19,92,16,638).

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**

**Place : Mumbai
Date : 05.09.2020**

**G. M. Loyalka
Director
(DIN: 00299416)**

**Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)**

COMPLIANCE CERTIFICATE
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015

The Board of Directors
KAJAL SYNTHETICS AND SILK MILLS LIMITED

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief certify that:

1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2020 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to be best of their knowledge and belief, no transaction entered into by the Company during year ended 31st March, 2020 which are fraudulent, illegal or violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that there is no:
 - a) significant changes in the internal controls over financial reporting
 - b) significant change in accounting policies and the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**

Place: Mumbai
Date : 05.09.2020

G. M. Loyalka
Director
(DIN: 00299416)

Seetha Ramaiya K. Vellore
Managing Director
(DIN: 01655859)

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board Members and the Senior Management Personnel have confirmed compliance with Code of Conduct for the year ended 31st March, 2020

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**

**Place: Mumbai
Date : 05.09.2020**

**G. M. Loyalka
Director
(DIN: 00299416)**

**Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)**

GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,
The Members
KAJAL SYNTHETICS AND SILK MILLS LIMITED
29, Bank Street,
First Floor, Fort
Mumbai 400 001

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **KAJAL SYNTHETICS AND SILK MILLS LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31st March, 2020. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2020, according to the provisions (to the extent applicable) 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 applicable to the extent of receipt of funds on non-repatriation basis from foreign investor; **(Not Applicable to the Company during the Audit Period)**

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)** and
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **(Not Applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during audit period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the Company during audit period).**
 - i) The examination of compliance of the provisions of other special applicable laws was limited to the verification of procedure on test basis.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

- 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 at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- iv. The Company appointed Mr. Ramswarup S. Jalan, as CFO with effect from 23rd April, 2019

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

I further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standard etc. referred to above.

GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576

Place : Mumbai
Date : 06.09.2020
UDIN – A007036B000671755

GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

To,
The Members
KAJAL SYNTHETICS AND SILK MILLS LIMITED
29, Bank Street,
First Floor, Fort
Mumbai 400 001

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. Wherever 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576

Place : Mumbai
Date : 06.09.2020
UDIN – A007036B000671755

ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2018 and March 31, 2019
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Kajal Synthetics and Silk Mills Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Kajal Synthetics and Silk Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

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 of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1	<p><u>Transition to Ind AS accounting framework</u> (as described in note 1(ii) of the standalone Ind AS financial statements)</p>	<p>We have performed the following audit procedures, among others, in order to obtain sufficient audit evidence:</p>
	<p>The Company has adopted Ind AS notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from April 01, 2019 and the effective date of such transition is April 01, 2018.</p> <p>Accordingly, for transition to IndAS, the Company has prepared its standalone Ind AS financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the opening Balance Sheet as at April 1, 2018 under IndAS.</p> <p>In view of significant degree of management judgment involved in the implementation of Ind AS framework and significance of various disclosures, the transition to Ind AS accounting framework has been identified as an area of key focus in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> • Assessed the Company's process to identify the impact of adoption and transition to Ind AS. • Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of standalone Ind AS financial statements; • Reviewed the mandatory and optional exemptions and exceptions allowed by Ind AS and availed by the Company applying the first-time adoption principles of Ind AS 101; • Obtained an understanding of the governance over the determination of key judgments; • Evaluated and tested the key assumptions and judgments adopted by management in line with principles under IndAS; • Assessed the disclosures made against the relevant Ind AS; and • Determined the appropriateness of the methodologies and models used along with the reasonability of the outputs.

2	<p>Accuracy in identification and categorisation of receivables from financing activities as performing and non-performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p>	<ul style="list-style-type: none"> We have assessed the systems and processes laid down by the Company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non-performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans have been examined to ensure compliance. We have also reviewed the reports generated from management information systems, audit reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.
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Emphasis of Matter

We draw attention to Note 29 to the standalone Ind AS financial statements, which describe the extent to which the COVID-19 pandemic will impact the Company's operations and financial performance which will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Boards' Report including Annexures to the Boards' Report, but does not include the standalone Ind AS financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management for the Standalone Ind AS Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year 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 section 143(11) of the Act, we give in "Annexure 1", 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 Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the 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, and 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 with reference to the Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this Report;
- g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

-
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For D A T A & CO
Chartered Accountants
(Firm Regn. No.105013W)

AJAY DAGA
Partner
M. No.44162
Place: Mumbai
Dated:31st July, 2020
UDIN: 20044162AAAAOQ7278

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Kajal Synthetics and Silk Mills Limited on the standalone Ind AS financial statements for the year ended March 31,2020]

1. The Company does not own any fixed assets. Therefore, the reporting under Clause 3 (i)(a), (i)(b) and (i)(c) of the said Order are not applicable to the Company.
2. The Company does not have any inventories. Hence, reporting under clause 3(ii) of the Order is not applicable to the Company.
3. As informed to us, the Company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. There are no firms/LLP/other parties which are covered in the said register.
4. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues applicable to it. No undisputed amount payable in respect of Statutory dues applicable to the Company were in arrears as at 31st March 2020 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, GST, Service Tax, Customs Duty, Excise Duty and Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute.

8. According to information and explanation given to us, the Company has not taken any loans or borrowing from any financial institution, bank or Government nor has it issued any debentures as at the balance sheet date.
9. The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. According to the information and explanation given to us, the Company has paid/provided managerial remuneration with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

16. On examination of relevant records and according to the information and explanations given to us, the Company is required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and holds a valid certificate of registration under the same.

For D A T A & CO
Chartered Accountants
(Firm Regn. No.105013W)

AJAY DAGA
Partner
M. No.44162
Place: Mumbai
Dated:31st July, 2020
UDIN: 20044162AAAAOQ7278

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Kajal Synthetics and Silk Mills Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements 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 Kajal Synthetics and Silk Mills Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness.

Our audit of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to Financial Statements

A company's internal financial control over financial reporting with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements., 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 with reference to financial statements. to future periods are subject to the risk that the internal financial controls over financial reporting with reference to financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting with reference to these standalone Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **D A T A & CO**
Chartered Accountants
(Firm Regn. No.105013W)

AJAY DAGA
Partner
M. No.44162
Place: Mumbai
Dated:31st July, 2020
UDIN: 20044162AAAAOQ7278

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204
Standalone Balance Sheet as at 31st March, 2020

Particulars	<u>Notes</u>	As at 31 March, 2020 (Rs.)	As at 31 March, 2019 (Rs.)	As at 1st April, 2018 (Rs.)
ASSETS				
Financial Assets				
Cash and Cash Equivalents	2	10,346,980	838,539	3,250,917
Loans	3	187,876,440	302,256,852	609,647,062
Investments	4	571,623,017	1,504,206,763	1,277,360,290
Other Financial Assets	5	40,454,938	46,677,480	27,652,834
Total Financial Assets		810,301,375	1,853,979,634	1,917,911,103
Non-Financial Assets				
Current Tax Assets (Net)	6	9,901,202	10,231,332	7,052,808
Total Non-Financial Assets		9,901,202	10,231,332	7,052,808
Total Assets		820,202,577	1,864,210,966	1,924,963,910
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Borrowings	7	460,000,000	570,000,000	830,000,000
Total Financial Liabilities		460,000,000	570,000,000	830,000,000
Non-Financial Liabilities				
Other Non-Financial Liabilities	8	14,337,976	303,269	272,852
Total Non-Financial Liabilities		14,337,976	303,269	272,852
EQUITY				
Equity Share Capital	9	19,920,000	19,920,000	19,920,000
Other Equity	10	325,944,601	1,273,987,696	1,074,771,058
Total Equity		345,864,601	1,293,907,696	1,094,691,058
Total Liabilities and Equity		820,202,577	1,864,210,966	1,924,963,910

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements. 16-34

As per our report of even date,
For D A T A & CO
Chartered Accountants
Firm Reg. No.105013W

AJAY DAGA
Partner
M. No. 44162

G.M. Loyalka
Director
DIN : 00299416

V.K.Seetharamaiya
Managing Director
DIN : 08216198

Place : Mumbai
Dated : 31.07.2020
UDIN: 20044162AAAAOQ7278

Disha Jain **R.S.Jalan**
Company Secretary Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204
Standalone Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	2019-20 (₹)	2018-19 (₹)
I. Revenue			
Interest Income		44,943,682	51,864,884
Dividend Income		147,750	217,000
Profit on Sale of Current Investments		361,724	121,280
Net gain on Investments measured at fair value through Profit & Loss		22,225	5,562
Total Revenue From Operations		45,475,381	52,208,726
Other Income	11	461,195	181,233
Total Revenue		45,936,576	52,389,959
II. Expenses			
Finance Costs	12	72,575,343	74,686,301
Employee Benefits Expense	13	2,129,764	1,443,915
Provision for Expected Credit Loss	14	(120,724)	(288,654)
Loss on sale of Investments		83,125,000	NIL
Other Expenses	15	796,420	4,209,053
Total Expenses		158,505,803	80,050,614
III. Profit/(Loss) Before Tax (I- II)		(112,569,227)	(27,660,655)
IV . Tax Expenses			
Current Tax		Nil	Nil
Deferred Tax		Nil	Nil
V. Net Profit/(Loss) After Tax		(112,569,227)	(27,660,655)
VI. Other Comprehensive Income (OCI)			
<u>Items that will not be reclassified to profit or loss</u>			
Net Fair Value Gain/(Loss) on Investments in Equity Instruments through OCI		(835,594,342)	226,869,630
Remeasurement of the defined benefit plans		120,473	7,663
Total Other Comprehensive Income		(835,473,869)	226,877,293
VII. Total Comprehensive Income for the year		(948,043,095)	199,216,638
Basic and Diluted Earnings per share (Face value ₹ 10 each)	20	(56.51)	(13.89)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	16-34		

As per our report of even date,

For D A T A & CO

Chartered Accountants

Firm Reg. No.105013W

AJAY DAGA

Partner

M. No. 44162

G.M. Loyalka

Director

DIN : 00299416

V.K.Seetharamaiya

Managing Director

DIN : 08216198

Place : Mumbai

Dated : 31.07.2020

UDIN: 20044162AAAAOQ7278

Disha Jain

Company Secretary

R.S.Jalan

Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN : L17110MH1985PLC035204

Standalone Cash Flow Statement for the year ended 31st March, 2020

Particulars	Year Ended	
	31.03.2020 Rs.	31.03.2019 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before taxation	(112,569,227)	(27,660,655)
Adjustments for:		
(Profit)/Loss on Sale of Investments	82,763,276	(121,280)
Net (gain) / loss on fair value changes	(22,225)	(5,562)
Impairment on Financial Instruments	(120,724)	(288,654.20)
Dividend Income	(147,750)	(217,000)
Operating Profit before working capital changes	(30,096,649)	(28,293,152)
Decrease / (Increase) in Loans	114,501,136	307,678,864
Decrease / (Increase) in Other Financial Assets	6,222,542	(19,024,646)
Decrease / (Increase) in Other Non-Financial Liabilities	14,155,181	38,080
Cash generated from operations	104,782,209	260,399,146
Direct Taxes (paid)/refund	330,130	(3,178,524)
Net Cash Flow from operating activities (A)	105,112,339	257,220,622
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Investments	77,848,355	3,550,000
Purchase of Investments	(63,600,000)	(3,400,000)
Dividend Income	147,750	217,000
Net Cash from/(used) in Investing activities (B)	14,396,105	367,000
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loans taken	465,000,000	570,000,000
Repayment of Loans	(575,000,000)	(830,000,000)
Net Cash from/(used) in financing activities (C)	(110,000,000)	(260,000,000)
Net cash flow during the year (A+B+C)	9,508,444	(2,412,378)
Cash & Cash Equivalents at beginning of period	838,539	3,250,917
Net Cash & Cash Equivalents at end of period (Refer Note 2)	10,346,980	838,539
Cash and Cash Equivalents consist of Cash on hand and Balances with banks.		
Cash on hand	2,213	5,825
Balance in Current Account	10,344,767	832,714
Cash and Cash Equivalents	10,346,980	838,539

1. Figures of the previous year have been re-grouped and re-classified, wherever necessary, to correspond with the figures of the current year.

As per our report of even date,

For D A T A & CO

Chartered Accountants

Firm Reg. No.105013W

AJAY DAGA

Partner

M. No. 44162

G.M. Loyalka

Director

DIN : 00299416

V.K.Seetharamaiya

Managing Director

DIN : 08216198

Place : Mumbai

Dated : 31.07.2020

UDIN: 20044162AAAAOQ7278

Disha Jain

Company Secretary

R.S.Jalan

Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

Standalone Statement of Changes in Equity for the year ended 31st March, 2020

A) Equity Share Capital: (Refer Note No: 9)

Particulars	Amount (Rs.)				
	Balance as at 01.04.2018	Changes during the year	Balance as at 31.03.2019	Changes during the year	Balance as at 31.03.2020
Equity Share Capital	19,920,000	Nil	19,920,000	Nil	19,920,000
Total	19,920,000	Nil	19,920,000	Nil	19,920,000

B) Other Equity (Refer Note No : 10)

Particulars	Reserves and Surplus						Amount (Rs.)	
	Capital Reserve	General Reserve	Statutory Reserve	Impairment Reserve	Retained Earnings	Items of OCI	Total Equity	
	Balance as at 01st April, 2018	20,669,380	4,147,949	53,645,541	956,894	129,737,976	865,613,518	1,074,771,058
Transfer to/from Impairment Reserve	-	-	-	(433,844)	433,844	-	-	
Profit/(Loss) for the year	-	-	-	-	(27,660,655)	-	(27,660,655)	
Other Comprehensive Income for the year	-	-	-	-	-	226,877,293	226,877,293	
Balance as at 31st March, 2019	20,669,380	4,147,949	53,645,541	522,850	102,511,165	1,092,490,811	1,273,987,696	

Particulars	Reserves and Surplus						Amount (₹)	
	Capital Reserve	General Reserve	Statutory Reserve	Impairment Reserve	Retained Earnings	Items of OCI	Total Equity	
	Balance as at 01st April, 2019	20,669,380	4,147,949	53,645,541	522,850	102,511,165	1,092,490,811	1,273,987,696
Profit/(Loss) for the year	-	-	-	(180,010)	(112,569,227)	-	(112,569,227)	
Transfer to/from Impairment Reserve	-	-	-	(180,010)	180,010	-	-	
Other Comprehensive Income for the year	-	-	-	-	-	(835,473,869)	(835,473,869)	
Balance as at 31st March, 2020	20,669,380	4,147,949	53,645,541	342,840	(9,878,052)	257,016,943	325,944,601	

As per our report of even date attached
For D A T A & CO
Chartered Accountants
Firm Reg. No.105013W

AJAY DAGA
Partner
M. No. 44162

G.M. Loyalka
Director
DIN : 00299416

V.K.Seetharamaiya
Managing Director
DIN : 08216198

Disha Jain
Company Secretary

R.S.Jalan
Chief Financial Officer

Place : Mumbai
Dated : 31.07.2020
UDIN: 20044162AAAAOQ7278

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

Corporate information

Kajal Synthetics and Silk Mills Limited (the Company) is domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L17110MH1985PLC035204. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the activity of Finance & Investment. The principal place of business of the Company is at Sonawala, 1st Floor, 29, Bank Street, Mumbai, Maharashtra.

1. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These are the Company's first financial statements prepared in accordance with Ind AS. For all periods upto and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2019 and the opening Balance Sheet as at 1st April, 2018, being the date of transition to Ind AS, have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from the Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 27.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

B. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Act applicable for NBFC. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

SIGNIFICANT ACCOUNTING POLICIES

i. Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

ii. Financial Instruments:

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

Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value measured on initial recognition of financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement:

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- the entity's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial assets.

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss. This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured investments in equity instruments other than investment in subsidiary at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

Statement of Profit and Loss. On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

(c) Measured at fair value through profit or loss: A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company excluding investments in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

measured at the fair value. Transaction costs that are directly attributable to the financial liabilities (other than financial liability at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

FAIR VALUE MEASUREMENT:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either
directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

iii. Provisions, Contingent Liabilities and Contingent Assets:

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

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

iv. Revenue Recognition:

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and that revenue can be reliably measured, regardless of when the payments is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding duties and taxes collected on behalf of the Government.

The Company follows the prudential norms for income recognition and provides for /writes off Non-Performing Assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.

a. Dividend Income

Income is recognized as and when the Company's rights to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

In case of interim dividend, the right to receive the payment is established, when the dividend gets approved by the Board of Directors.

In case of final dividend, the right to receive the payment is established, when the dividend gets approved by the shareholder's in the annual general meeting.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

b. Interest Income

For all the debt instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to amortized cost of financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider expected credit losses.

c. Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

v. Expenditure:

Expenses are accounted on accrual basis.

vi. Income Taxes:

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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 under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or

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Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternate Tax (MAT)

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

vii. Earnings Per Share:

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

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Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

viii. Cash flows Statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

ix. Investments in associates

The Company measures investments in Equity instruments of associates at cost.

x. Employee Benefits

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of:

- (a) when the plan amendment or curtailment occurs; and
- (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and deductions in future contributions to the scheme.

The Company provides benefits such as gratuity to its employees which are treated as defined benefit plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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Notes to the Standalone Financial Statements as at and for the year ended March 31, 2020

xi. Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest rate method, other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

xii. Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

xiii. Use of Critical Estimates, Judgements and Assumptions

The preparation of the financial statements requires the use of accounting estimates, which, by definition would seldom equal the actual results. Management also needs to exercise judgment and make certain assumptions in applying the Company's accounting policies and preparation of financial statements.

In the process of applying the Company's accounting policies, management has made the following judgments, which have most significant effect on the amounts recognised in the financial statement:

a. Estimation of Defined benefit obligations

The cost of the defined benefit plans and the present value of the obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

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The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase is based on expected future inflation rates.

b. Estimated fair value of unlisted/listed but thinly traded securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets and financial instruments that are unquoted is determined based on generally accepted valuation technique of net worth criteria.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)

	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
Note 2 : CASH AND CASH EQUIVALENTS			
Cash in hand	2,213	5,825	2,022
Cheque on hand	Nil	83,984	Nil
Balances with Banks in - Current Account	10,344,767	748,730	3,248,895
Total	10,346,980	838,539	3,250,917
Note 3 : LOANS			
Unsecured ,Considered good			
Inter Corporate Loans	188,105,000	302,175,000	610,200,000
Loan to Employee	Nil	431,136	85,000
	188,105,000	302,606,136	610,285,000
Less: Impairment loss allowance	228,560	349,284	637,938
Total	187,876,440	302,256,852	609,647,062
Note 5 : OTHER FINANCIAL ASSETS			
Interest accrued on Inter Corporate Loans	40,454,938	46,677,480	27,652,834
Total	40,454,938	46,677,480	27,652,834
Note 6 : CURRENT TAX ASSETS (NET)			
Advance Income Taxes (Net of Provision for tax)	9,901,202	10,231,332	7,052,808
Total	9,901,202	10,231,332	7,052,808
Note 7 : BORROWINGS			
Unsecured			
Inter Corporate Loans	460,000,000	570,000,000	830,000,000
Total	460,000,000	570,000,000	830,000,000
Note 8 : OTHER NON-FINANCIAL LIABILITIES			
Expenses Payable	12,830,634	113,400	113,400
TDS Payable	1,418,941	18,749	10,500
Gratuity Payable	88,401	171,120	148,952
Total	14,337,976	303,269	272,852

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Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

Note 4 : INVESTMENTS

	Face Value	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
Non-current Investments				
Investments at Fair Value through OCI (FVTOCI)				
I) Quoted Equity Shares not held for trade				
Jay Shree Tea & Industries Limited (No. of shares held as at 31st March, 2020 : 45,000; 31st March, 2019 : 45,000; 1st April, 2018; 45,000)	5	1,381,500	2,916,000	3,876,750
Birla Tyres Limited * (No. of shares held as at 31st March, 2020 : 550,000; 31st March, 2019 : Nil ; 1st April, 2018 : Nil)	10	1,622,500	NIL	NIL
Kesoram Industries Limited (No. of shares held as at 31st March, 2020 : 550,000; 31st March, 2019 : 550,000 ; 1st April, 2018: 550,000)	10	10,120,000	40,012,500	59,867,500
Mangalam Cement Limited (No. of shares held as at 31st March, 2020 : 264,000; 31st March, 2019 : 264,000 ; 1st April, 2018: 2,64,000)	10	39,600,000	70,752,000	86,116,800
Mangalam Timber Products Limited (No. of shares held as at 31st March, 2020 : 352,838; 31st March, 2019 : 352,838 ; 1st April, 2018: 352,838)	10	2,738,023	5,998,246	7,803,571
Mansoon Trading Company Limited (No. of shares held as at 31st March, 2019 : 366,000; 31st March, 2019 : 366,000 ; 1st April, 2018 : 366,000)	10	276,336,327	641,479,855	448,077,443
Meenakshi Steel Industries Limited (No. of shares held as at 31st March, 2020 : 255,500; 31st March, 2019 : 255,500; 1st April, 2018 : 255,500)	10	173,911,740	358,173,716	299,073,721
Nilkanth Engineering Limited (No. of shares held as at 31st March, 2020 : 206,000; 31st March, 2019 : 206,000 ; 1st April, 2018 : 206,000)	10	NIL	1,041,913	3,715,602
		505,710,090	1,120,374,230	908,631,287
* During the year the Company has received 5,50,000 fully paid-up Equity Shares of Rs.10/- each of Birla Tyres Limited for every Equity Share of Rs.10/- each held in Kesoram Industries Limited pursuant to the Scheme of Arrangement between Kesoram Industries Limited and Birla Tyres Limited.				
II) Unquoted Equity Shares not held for trade				
Associates :				
Five-Star Trading & Investment Company Limited (No. of shares held as at 31st March, 2020 : 120,001; 31st March, 2019 : 1,20,001; 1st April, 2018 : 120,001)	10	12,030,020	12,030,020	12,030,020
Park Avenue Engineering Limited (No. of shares held as at 31st March, 2020 : 21,54,250; 31st March, 2019 : 21,54,250 ; 1st April, 2018 : 21,54,250)	10	22,460,251	22,460,251	22,460,251
Others :				
Pintail Realty Developers Private Limited (No. of shares held as at 31st March, 2020 : 2,00,000; 31st March, 2019 : 2,00,000 ; 1st April, 2018 : 200,000)	10	28,076,966	28,498,915	30,288,157
Niranjan Housing Private Limited (No. of shares held as at 31st March, 2020 : 55,945; 31st March, 2019 : 55,945 ; 1st April, 2018 : 55,945)	10	NIL	220,508,252	203,592,323
		62,567,237	283,497,438	268,370,751
5% Cumulative Redeemable fully convertible Preference Shares of Niranjan Housing Private Limited (No. of shares held as at 31st March 2020: Nil ; 31st March 2019: 125000 ; 1st April 2018 : 125000)	10	NIL	100,000,000	100,000,000
		NIL	100,000,000	100,000,000
Investments at Fair Value through Profit & Loss (FVTPL)				
Unquoted Units of Mutual Funds				
Aditya Birla Sun Life Liquid Fund - Growth Regular Plan (No. of Units held as at 31st March, 2020 - Nil, 31st March, 2019 - 1120.697, 1st April, 2018 - 1287.594)	100	NIL	335,094	358,252
Aditya Birla Sun Life Liquid Fund - Growth Direct Plan (No. of units held as at 31st March, 2020 : 10469.700, 31st March, 2019 - Nil, 1st April, 2018 - Nil)	100	3,345,690	NIL	NIL
		3,345,690	335,094	358,252
Total		571,623,017	1,504,206,762	1,277,360,290
Aggregate value of quoted investments		505,710,090	1,120,374,230	908,631,287
Aggregate value of unquoted investments		65,912,927	383,832,532	368,729,003

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

Note 9: EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1 April, 2018 (₹)
Authorized:			
20,00,000 (March 31, 2019: 20,00,000 ; April 1 2018: 20,00,000) Equity Shares, of Rs. 10/- par value	20,000,000	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Fully Paid-up Shares			
19,92,000 (March 31, 2019: 19,92,000; April 1 2018 : 19,92,000) Equity Shares of Rs. 10/- par value	19,920,000	19,920,000	19,920,000
	<u>19,920,000</u>	<u>19,920,000</u>	<u>19,920,000</u>
Total	<u>19,920,000</u>	<u>19,920,000</u>	<u>19,920,000</u>

(i) The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.

(ii) The Company has only one class of equity shares having a par value of Rs. 10/- per share . Each holder of equity share is entitled to same rights in all the assets.

(iii) Disclosure of Shareholders holding more than 5% of Share Capital:

Name of Shareholder	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Pick-Me-Quick Holdings Private Limited	420,100	21.09	420,100	21.09	420,100	21.09
Peigeon Finance And Investment Private Limited	396,050	19.88	396,050	19.88	396,050	19.88
Benhur Investment Company Private Limited	452,650	22.72	452,650	22.72	452,650	22.72
Mragya Finance & Investment Private Limited	467,200	23.45	467,200	23.45	467,200	23.45
Five Star Trading & Investment Company Limited	241,000	12.10	241,000	12.10	241,000	12.10

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Notes to the Standalone Financial Statements (Continued)
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NOTE 10: OTHER EQUITY

Particulars	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
(i) Capital Reserve	20,669,380	20,669,380	20,669,380
(ii) Statutory Reserve	53,645,541	53,645,541	53,645,541
(iii) General Reserve	4,147,949	4,147,949	4,147,949
(iv) Impairment Reserve	342,840	522,850	956,694
(v) Retained Earnings	(9,878,052)	102,511,165	129,737,976
(vi) Items of Other Comprehensive Income	257,016,943	1,092,490,811	865,613,518
Total	325,944,601	1,273,987,696	1,074,771,058

Notes:

Capital Reserve :

This reserve represents the amount received under Amnesty Scheme of 1991.

Statutory Reserve : Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by the RBI.

General Reserve

General Reserve is the amount of transfers from profit of the Company .

Impairment Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' is not reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

Retained Earnings

Retained Earnings are the profits the Company has earned till date less any transfers to general reserve, dividends , impairment reserve, other distributions paid to shareholders.

Equity Instruments through Other Comprehensive Income : This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

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Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

Particulars	2019-20 (₹)	2018-19 (₹)
Note 11 : OTHER INCOME		
Interest Received on Employee Loan	27,498	40,698
Interest Received on Income Tax Refund	433,697	140,535
Total	461,195	181,233
Note 12 : FINANCE COSTS		
Interest Expense on Inter Corporate Loans	72,575,343	74,686,301
Total	72,575,343	74,686,301
Note 13 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Allowances	2,041,900	1,398,850
Staff Welfare Expenses	50,110	15,234
Gratuity	37,754	29,831
Total	2,129,764	1,443,915
Note 14 : EXPECTED CREDIT LOSS		
Provision for Expected Credit Loss	(120,724)	(288,654)
Total	(120,724)	(288,654)
Note 15 : OTHER EXPENSES		
Advertisement Expenses	21,041	17,841
Bank Charges	2,003	2,267
Custodian / ISIN activation charges	21,240	22,438
Filing Fees	7,200	7,500
Legal and Professional Charges	196,678	92,935
Listing Fees	354,000	295,000
Reinstatement Fees paid to BSE	NIL	3,540,000
Demat Account Charges	944	944
Conveyance	7,460	51,057
General Expenses	29,962	17,067
Telephone Expenses	8,392	5,400
Travelling Expenses	NIL	4,384
Credit Information Membership Fees	41,300	35,400
Payment to Auditors (Refer Note No. 15.1)	106,200	116,820
Total	796,420	4,209,053
15.1 Payment to auditors		
Statutory audit fees	50,000	50,000
Consolidation fees	30,000	30,000
Certification fees	10,000	19,000
GST	16,200	17,820
Total	106,200	116,820

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**Notes****16. Contingent Liability not provided in respect of:-**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (Previous year -Rs. Nil).
- b) Other Contingent Liabilities not provided for - Rs. Nil (Previous year- Rs. Nil).

17. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020.

18. There were no dues/outstanding amounts payable to Micro, Small and Medium Enterprises included under Financial and Non Financial Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year- Rs. Nil).

19. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made for all known liabilities.

20. Earnings Per Share

Particulars	For the Year Ended March 31,2020	For the Year Ended March 31,2019
(a) Calculation of weighted average number of Equity Shares of Rs. 10/- each		
No. of Equity Shares at the beginning of the year	19,92,000	19,92,000
Equity Shares issued during the year	Nil	Nil
Total number of Equity Shares outstanding at the end of the year	19,92,000	19,92,000
(b) Net Profit / (Loss) after tax available for equity shareholders (Rs.)	(11,25,69,227)	(2,76,60,655)
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	(56.51)	(13.89)

21. Related Party Disclosures:-**A) Related party disclosures as required by Ind AS 24 - Related party disclosures****a) List of Related parties****i) Associates**

Benhur Investment Company Private Limited*
 Five Star Trading & Investment Company Limited
 Mragya Finance & Investment Private Limited*
 Pick-Me-Quick Holdings Private Limited*
 Park Avenue Engineering Limited

***In respect of which the Company is an Investee**

ii) Key Management Personnel

Gangaprasad Loyalka Director
 Seetharamaiya Vellore Managing Director
 R.S. Jalan Chief Financial Officer

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Disha Jain

Company Secretary

B) Material Transactions with related parties during the Year (Rs.)

Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
		Amount Rs	Amount Rs
1	Salary Paid to Seetharamaiya - Managing Director	17,17,900	7,64,550
2	Salary Paid to Disha Jain - Company Secretary	3,24,000	3,00,000
	Total	20,41,900	10,64,550

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

All transactions with these related parties are priced on an arm's length basis.

C) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under.

Period	Balance of Loans and advances As at	Maximum balance outstanding during the year ended
31st March, 2020	Nil	Nil
31 st March, 2019		
31st March, 2018		

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

Note 22. Financial Instrument and fair value measurement

A. Accounting classifications and fair values:

As at 31st March, 2020	Carrying amount				Fair Value			
	Amortised Cost	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost								
Investments								
Financial assets measured at fair value								
Investments	-	3,345,690	533,787,056	34,490,271	58,807,713	478,325,033	34,490,271	571,623,017
Financial assets not measured at fair value								
Cash and cash equivalents	10,346,980	-	-	-	-	-	-	-
Loans	187,876,440	-	-	-	-	-	-	-
Other Financial Assets	40,454,938	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Borrowings	460,000,000	-	-	-	-	-	-	-

As at 31st March, 2019	Amortised Cost	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost								
Investments								
Financial assets measured at fair value								
Investments	-	335,094	1,369,981,397	134,490,271	120,013,840	1,249,702,651	134,490,271	1,504,206,762
Financial assets not measured at fair value								
Cash and cash equivalents	838,539	-	-	-	-	-	-	-
Loans	302,256,852	-	-	-	-	-	-	-
Other Financial Assets	46,677,480	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Borrowings	570,000,000	-	-	-	-	-	-	-

As at 1st April, 2018	Amortised Cost	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost								
Investments	-	358,252	1,142,511,767	134,490,271	158,122,873	984,747,146	134,490,271	1,277,360,290
Financial assets measured at fair value								
Investments								
Financial assets not measured at fair value								
Cash and cash equivalents	3,250,917	-	-	-	-	-	-	-
Loans	609,647,062	-	-	-	-	-	-	-
Other Financial Assets	27,652,834	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Borrowings	830,000,000	-	-	-	-	-	-	-

1) The carrying amount of the investments in Associates and Preference shares are valued at Cost.

2) The management assessed that cash and cash equivalents and bank balances, other financial assets, certain investments, and other current financial liabilities approximate their fair value.

Notes 22

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs:

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

iv) Valuation techniques

Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments and some quoted equity instruments which are not actively traded on stock exchanges are fair valued using the generally accepted valuation technique of networth criteria and accordingly classified as Level 2.

The associates are valued at cost as per Ind AS 27 Separate Financial Statements and classified as Level 3.

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

23. Financial risk management objectives and policies

The Company's principal financial liabilities comprise Borrowings. The Company's financial assets include Investments, Loans, Interest receivable on Loan and Cash and Cash Equivalents that it derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Borrower / Customer; however, management also considers the factors that may influence the credit risk of its customer base including the default risk associated with the industry. The Company's exposure to credit risk for loans and advances is as follows;

Particular	Carrying Amount (Rs.In Crs)		
	As at 31st March ,2020	As at 31st March, 2019	As at 01st April ,2018
Inter Corporate Loan	18.81Cr.	30.22 Cr.	61.02 Cr.
Non Corporate Loans	Nil	0.04 Cr.	0.008 Cr.
Interest Accrued on above Loans	4.05 Cr.	4.67 Cr.	2.76 Cr.

The Loans are repayable on demand, however an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk.

Cash and cash equivalent

Credit risk on Cash and Cash Equivalent is limited as the fund are in Current Account .

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Company is monitoring its liquidity risk by estimating the future inflows and outflows at the beginning of the year and planned accordingly the funding requirement. The Company manages its liquidity by borrowings, inter-corporate deposits accepted and redemption of investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particular	As at 31 March, 2020 (₹)		
	Up to 12 months	More than 12 months	Total
Borrowings	46,00,00,000	-	46,00,00,000
Other Non-Financial Liabilities	14,337,976	-	14,337,976

Particular	As at 31 March, 2019 (₹)		
	Up to 12 months	More than 12 months	Total
Borrowings	57,00,00,000	-	57,00,00,000
Other Non Financial Liabilities	3,03,269	-	3,03,269

Particular	As at 01 April, 2018 (₹)		
	Up to 12 months	More than 12 months	Total
Borrowings	83,00,00,000	-	83,00,00,000
Other Non-Financial Liabilities	2,72,852	-	2,72,852

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

Particulars	As at 31 March, 2020		As at 31 March, 2019		As at 1st April, 2018	
	Within 12 months	Afer 12 months	Within 12 months	Afer 12 months	Within 12 months	Afer 12 months
ASSETS						
Financial Assets						
Cash and cash equivalents	10,346,980	-	838,539	-	3,250,917	-
Loans	187,876,440	-	302,256,852	-	609,647,062	-
Investments	3,345,690	568,277,327	335,094	1,503,871,668	358,252	1,277,002,038
Other Financial Assets	40,454,938	-	46,677,480	-	27,652,834	-
Non-Financial Assets						
Current Tax Assets (Net)	9,901,202	-	10,231,332	-	7,052,808	-
Total Assets	251,925,250	568,277,327	360,339,297	1,503,871,668	647,961,873	1,277,002,038
LIABILITIES						
Financial Liabilities						
Borrowings	460,000,000	-	570,000,000	-	830,000,000	-
Non-Financial Liabilities						
Other Non-Financial Liabilities	14,337,976	-	303,269	-	272,852	-
Total Liabilities	474,337,976	-	570,303,269	-	830,272,852	-
Net Position	(222,412,726)	568,277,327	(209,963,972)	1,503,871,668	(182,310,979)	1,277,002,038
						1,094,691,059

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

25. Capital Management:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment policy, buy back or further issue of capital securities.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

26. Employee Benefits Expense:

Defined Benefit Plans

The gratuity liability is not funded but is ascertained on actuarial basis as per Ind AS 19. There are no other post-retirement benefits provided to employees. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2020. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The disclosures of employee benefits as defined in Ind AS 19 are given as below:

- i. Expenses recognized during the year in the Statement of Profit and Loss :

	31.03.2020	31.03.2019
	Amount (In Rs.)	Amount (In Rs.)
Current Service Cost	24,680	18,406
Interest Cost (net)	13,074	11,425
Total Expenses recognized in Profit and Loss	37,754	29,831

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

v. Reconciliation of opening and closing balance of fair value of plan assets :

	2019-2020	2018-2019
	Amount (In Rs.)	Amount (In Rs.)
Fair value of plan assets as at beginning	-	-
Fair value of plan assets as at end	-	-

vi. Actuarial Assumptions

	31.03.2020	31.03.2019
Discount Rate	6.80%	7.64%
Rate of Increase in compensation	12.00%	12.00%
Expected average remaining service	12.51	24.32
Retirement age	60years	60years
Employee attrition rate	0.8%	0.8%
Mortality Table	Indian assured lives mortality (2006-08) Ultimate	Indian assured lives mortality (2006-08) Ultimate

vii. Sensitivity Analysis

	DISCOUNT RATE		SALARY ESCALATION RATE	
	Increase in Discount Rate by 1%	Decrease in Discount Rate by 1%	Increase in Salary Escalation Rate by 1%	Decrease in Salary Escalation Rate by 1%
Projected benefit obligation based on above assumptions	1,25,091	1,65,689	1,64,267	1,25,800

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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

viii. Expected Payout

Year	Expected outgo first	Expected outgo second	Expected outgo third	Expected outgo fourth	Expected outgo fifth	Expected outgo six to ten years
Payouts (Amounts in Rs.)	362	741	859	1451	1654	81332

Notes:

(a) The current service cost recognized as an expense is included in the Note 13 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive Income.

(b) The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Based on materiality the Company is recognizing the entire liability of Rs. 88,401/- (P.Y. Rs. 171,120/-) as non current in Note No.8: Other Non Financial Liability, which includes the portion of current liability of Rs. 502/- (P.Y. Rs. 520/-).

Note No.27

First-time adoption of Ind AS

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of April 01, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

Mandatory exceptions to the retrospective application of Ind AS

(i) Estimates

The estimates at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2018, the date of transition to Ind AS and as of March 31, 2019.

(ii) Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs.

(iii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition and the Company has complied accordingly.

As per Ind AS 101, for financial assets or financial liabilities classified as at amortised cost, if it is impracticable for the Company to apply retrospectively the effective interest method as mentioned in Ind AS 109, the fair value of the financial assets or financial liabilities at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or financial liability at the date of transition to Ind AS.

Voluntary exemptions availed

(i) Investment in Associates

The Company has elected to continue with the carrying value of its investment in Associates recognised as at April 01, 2018 (transition date) measured as per the Previous GAAP as its deemed cost.

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- 1 Reconciliation of Balance sheet as at April 01, 2018 (Transition Date) and as at March 31, 2019.
- 2 Reconciliation of Statement of Profit & Loss for the year ended March 31, 2019
- 3 Reconciliation of other equity as at April 01, 2018 and March 31, 2019
- 4 Reconciliation of total comprehensive income for the year ended March 31, 2019
- 5 Reconciliation of statement of cash flows for the year ended March 31, 2019.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

Note No.27

1 Reconciliation of Balance Sheet as at April 01, 2018 (date of transition to Ind AS)

	Indian GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and Cash Equivalents	3,250,917	-	3,250,917
Loans	610,285,000	(637,938)	609,647,062
Investments	411,740,726	865,619,564	1,277,360,290
Other Financial Assets	27,652,834	-	27,652,834
Total Financial Assets	1,052,929,477	864,981,626	1,917,911,103
Non- Financial Assets			
Current Tax Assets (Net)	7,052,808	-	7,052,808
Total Non-Financial Assets	7,052,808	-	7,052,808
Total Assets	1,059,982,285	864,981,626	1,924,963,911
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Borrowings	830,000,000	-	830,000,000
Total Financial Liabilities	830,000,000	-	830,000,000
Non- Financial Liabilities			
Provisions	1,594,632	(1,594,632)	-
Other Non-Financial Liabilities	272,852	-	272,852
Total Non-Financial Liabilities	1,867,484	(1,594,632)	272,852
EQUITY			
Equity Share Capital	19,920,000	-	19,920,000
Other Equity	208,194,801	866,576,257	1,074,771,058
Total Equity	228,114,801	866,576,257	1,094,691,058
Total Liabilities and Equity	1,059,982,285	864,981,625	1,924,963,910

1 Reconciliation of balance sheet as at March 31, 2019

	Indian GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and Cash Equivalents	838,539	-	838,539
Loans	302,606,136	(349,284)	302,256,852
Investments	411,712,006	1,092,494,757	1,504,206,763
Other Financial Assets	46,677,480	-	46,677,480
Total Financial Assets	761,834,161	1,092,145,473	1,853,979,635
Non- Financial Assets			
Current Tax Assets (Net)	10,231,332	-	10,231,332
Total Non-Financial Assets	10,231,332	-	10,231,332
Total Assets	772,065,493	1,092,145,473	1,864,210,966
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Borrowings	570,000,000	-	570,000,000
Total Financial Liabilities	570,000,000	-	570,000,000
Non- Financial Liabilities			
Provisions	872,134	(872,134)	-0
Other Non-Financial Liabilities	303,269	-	303,269
Total Non-Financial Liabilities	1,175,403	(872,134)	303,269
EQUITY			
Equity Share Capital	19,920,000	-	19,920,000
Other Equity	180,970,090	1,093,017,606	1,273,987,696
Total Equity	200,890,090	1,093,017,606	1,293,907,696
Total Liabilities and Equity	772,065,493	1,092,145,472	1,864,210,965

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)

for the period ended 31st March, 2020

2 Reconciliation of profit or loss for the year ended March 31, 2019

Particulars	Indian GAAP	Adjustments	Ind AS
Income			
Interest Income	51,864,884	-	51,864,884
Dividend Income	217,000	-	217,000
Gain on current Investment	121,280	5,562	126,842
Other Income	903,731	(722,498)	181,233
Total revenue (I)	53,106,895	(716,936)	52,389,959
Expenses			
Finance costs	74,686,301	-	74,686,301
Employee benefits expense	1,436,252	7,663	1,443,915
Provision for Expected Credit Loss	-	(288,654)	(288,654)
Other Expenses	4,209,053	-	4,209,053
Total expenses (II)	80,331,606	(280,991)	80,050,615
Profit/ (Loss) before tax (I-II)	(27,224,711)	(435,945)	(27,660,656)
Deferred Tax	-	-	-
(Excess)/ Short Provision of Earlier Years	-	-	-
Profit/ (Loss) for the year	(27,224,711)	(435,945)	(27,660,656)

3 Reconciliation of other equity as at April 01, 2018 and March 31, 2019

Particulars	As at March 31, 2019	As at April 1, 2018
Total Other Equity under Previous GAAP	180,970,090	208,194,801
Fair Value Gain/ (Loss) on Financial Instruments at Fair Value through Profit & Loss	11,608	6,046
Reduction of Loss due to remeasurment of defined benefit plan	(7,663)	-
Excess of contingent provision on standard assets written back	522,850	956,694
Fair Value Gain/(Loss) on Financial Instruments at Fair Value through Other Comprehensive Income	1,092,483,148	865,613,518
Remeasurement of the defined benefit plans through Other Comprehensive Income	7,663	-
Total Other Equity under Ind AS	1,273,987,697	1,074,771,059

4 Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

Particulars	Year ended March 31, 2019
Net profit/(loss) under previous Indian GAAP	(27,224,711)
Gain on Financial Instruments at Fair Value through Profit & Loss	5,562
Reversal of Contingent Provision on Standard Assets	(722,498)
Provision for Expected Credit Loss as per Ind AS 109	288,654
Increase in Employee benefits expense due to remeasurement of defined benefit obligation	(7,663)
Gain on Financial Instruments at Fair Value through Other Comprehensive Income	226,869,630
Actuarial Gain on remeasurement of defined benefit obligation	7,663
Total Comprehensive Income / (Loss) as per Ind AS	199,216,638

5 Effect of Ind AS adoption on the Cash Flow Statement for the year ended March 31, 2019

Particulars	Indian GAAP	Adjustments	Ind AS
Net Cash Flows from in Operating Activities	257,437,623	217,000	257,220,623
Net Cash Flows from Investing Activities	150,000	(217,000)	367,000
Net Cash Flows from Financing Activities	(260,000,000)	-	(260,000,000)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(2,412,377)	-	(2,412,377)
Cash and Cash Equivalents at the beginning of year	3,250,917	-	3,250,917
Cash and Cash Equivalents at the end of year	838,540	-	838,540

KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to the Standalone Financial Statements (Continued)

for the period ended 31st March, 2020

Notes to the Reconciliation

1) Fair value through other comprehensive income of financial assets

Investments

Under Previous GAAP, the Company accounted for long-term investments in unquoted and quoted equity shares as investment measured at cost less provision for permanent diminution in the value of investments, if any. Under Ind AS, financial assets representing investment in equity shares of entities other than associates have to be fair valued. At the date of transition to Ind AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve. Accordingly, an amount of Rs.22,68,69,630 has been recognised in OCI for the year ended 31st March, 2019 and an amount of Rs.86,56,13,518 has been recognised as on 01st April, 2018.

2) Investments - at fair value through profit or loss

Under Previous GAAP, the Company accounted for current investments in mutual funds as investments measured at lower of cost and net realisable value. Under Ind AS, financial assets representing investments in mutual funds has been valued as investments designated at fair value through profit or loss. At the date of transition to Ind AS, difference of Rs 6,046/- between the instruments fair value and Previous GAAP carrying amount has been recognised in the retained earnings as on 01st April, 2018. Further, the amount of Rs. 6,046/- as at 01.04.2018 and Rs. 5,562/- relating to year ended 31.03.2019, totaling to Rs. 11,608/- has been recognised for the year ended 31st March, 2019.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)
for the year ended 31st March, 2020

Note No.28

Impairment on Financial Instruments

Background of Expected Credit Loss

Expected Credit Loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

The key components of Credit Risk assessment are:

1. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
2. Exposure at Default (EAD): represents how much the obligor is likely to be borrowing at the time of default.
3. Loss Given Default (LGD): represents the proportion of EAD that is likely to be lost post-default.

The definition of default is taken as 90 days past due for all retail and corporate loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

- 0-30 days past due loans classified as stage 1
- Between 31-90 days past due loans classified as stage 2 and
- Above 90 days past due loans classified as stage 3

EAD is the total amount outstanding including accrued interest as on the reporting date.

The ECL is computed as a product of PD, EAD and LGD.

Non-Individual Loans

1.1 Credit Quality of Assets

The Non-individual/corporate book is assessed at the loan type level and the provisioning is done at an account level, which is in excess of provisioning requirements as per the Master Direction - Non Banking Financial Company- Non Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016. In certain cases, the assessment is done at an account level based on past experience for future cash flows from the project.

The 12 month PD has been applied on stage 1 loans. The PD term structure i.e Lifetime PD has been applied on the stage 2 loans according to the repayment schedule for stage 2 loans and PD is considered to be 1 for stage 3 loans.

Particulars	Amount in Rupees			
	Stage - 1	Stage - 2	Stage - 3	Total
As at March 31, 2020				
Corporate loans / inter-corporate deposits	187,480,000	-	-	187,480,000
Interest accrued thereon	40,398,688	-	-	40,398,688
Total	227,878,688	-	-	227,878,688
As at March 31, 2019				
Corporate loans / inter-corporate deposits	301,550,000	-	-	301,550,000
Interest accrued thereon	46,676,864	-	-	46,676,864
Total	348,226,864	-	-	348,226,864
As at March 31, 2018				
Corporate loans / inter-corporate deposits	609,800,000	-	-	609,800,000
Interest accrued thereon	27,569,934	-	-	27,569,934
Total	637,369,934	-	-	637,369,934

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

Note No.28

1.2. An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate lending is, as follows:

Reconciliation of gross carrying amount of corporate loans / inter-corporate deposits:

Particulars	Amount in Rupees			
	Stage - 1	Stage - 2	Stage - 3	Total
Year ended March 31, 2020				
Gross carrying amount opening balance	348,226,864	-	-	348,226,864
New assets originated / advanced	484,428,688	-	-	484,428,688
Assets derecognised / repaid	(604,776,864)	-	-	(604,776,864)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	227,878,688	-	-	227,878,688
Year ended March 31, 2019				
Gross carrying amount opening balance	637,369,934	-	-	637,369,934
New assets originated / advanced	640,326,864	-	-	640,326,864
Assets derecognised / repaid	(929,469,934)	-	-	(929,469,934)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	348,226,864	-	-	348,226,864
Year ended March 31, 2018				
Gross carrying amount opening balance	518,120,158	-	-	518,120,158
New assets originated / advanced	903,869,934	-	-	903,869,934
Assets derecognised / repaid	(784,620,158)	-	-	(784,620,158)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	637,369,934	-	-	637,369,934

Reconciliation of ECL balance:

Particulars	Amount in Rupees			
	Stage - 1	Stage - 2	Stage - 3	Total
Year ended March 31, 2020				
ECL allowance - opening balance	349,284	-	-	349,284
ECL allowance recognised during the year	(120,724)	-	-	(120,724)
ECL allowance - closing balance	228,560	-	-	228,560
Year ended March 31, 2019				
ECL allowance - opening balance	637,938	-	-	637,938
ECL allowance recognised during the year	(288,654)	-	-	(288,654)
ECL allowance - closing balance	349,284	-	-	349,284
Year ended March 31, 2018				
ECL allowance - opening balance	-	-	-	-
ECL allowance recognised during the year	637,938	-	-	637,938
ECL allowance - closing balance	637,938	-	-	637,938

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

29. COVID-19 was declared a Global pandemic on 11th March, 2020 by the WHO and the Government of India announced a Lockdown on 24th March, 2020. We believe that the impact assessment of this pandemic is a continuous evolving process, given its intensity in the Financial Capital of India. Your Company shall continue to monitor all material changes to future conditions arising due to the pandemic.
30. The Company is primarily engaged in the Finance & Investment activities and accordingly there is no separate reportable segment, as per the Ind AS 108 "Operating Segments".
31. The Company will recognize the deferred tax assets, if any, in future considering the prudence aspect.
32. The following disclosure is required pursuant to RBI circular dated 13.03.2020- Circular No.RBI/2019-20/170 DOR/(NBFC).CC.PD.No.109/22.10.106/2019-2020

Amount (In Rs.)

Loss Allowances (Provisions) as required under Ind AS 109							
Year	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Opening Impairment Amount	Impairment Reserve to be created
	Performing Assets						
2019-20	Standard	22,85,59,938/-	2,28,560/-	22,83,31,378/-	5,71,400/-	5,22,850/-	(1,80,010)/-
2018-19	Standard	34,88,52,480/-	3,49,284/-	34,85,03,196/-	8,72,134/-	9,56,694/-	(4,33,844)/-
2017-18	Standard	63,78,52,834/-	6,37,938/-	63,72,14,896/-	15,94,632/-	-	9,56,694/-

33. Disclosure pursuant to RBI notification on "COVID-19 Regulatory Package – Asset Classification and Provisioning" dated 17th April 2020.

Particulars	Amount (In Rs.)
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	Nil
(ii) Respective amount where asset classification benefits is extended	Nil
(iii) Provisions made during the Q4 FY2020 as per RBI circular dated 17 th April 2020 Norms	Nil
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

34. Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.

As per our report of even date attached
For D A T A & CO
 Chartered Accountants
 Firm Reg. No.105013W

For and on behalf of the Board of Directors

AJAY DAGA
 PARTNER
 M. No.: 44162

G.M. Loyalka
 Director
 DIN: 00299416

V.K.Seetharamaiya
 Manaing Director
 DIN: 08216198

Place: Mumbai
 Dated: 31st July, 2020
 UDIN: 20044162AAAAOQ7278

Disha Jain
 Company Secretary

R.S. Jalan
 Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
KAJAL SYNTHETICS AND SILK MILLS LIMITED**

Report on the Audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **KAJAL SYNTHETICS AND SILK MILLS LIMITED** (hereinafter referred to as the "Company") and its Associates, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Consolidated Ind AS Financial Statements').

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

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Ind AS Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1	<p><u>Transition to Ind AS accounting framework (as described in note 1(ii) of the consolidated Ind AS financial statements)</u></p>	<p>We have performed the following audit procedures, among others, in order to obtain sufficient audit evidence:</p>
	<p>The Company has adopted Ind AS notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from April 01, 2019 and the effective date of such transition is April 01, 2018.</p> <p>Accordingly, for transition to Ind AS, the Company has prepared its consolidated Ind AS financial statements for the year ended March 31, 2020, togetherwith the comparative financial information for the previous year ended March 31, 2019 and the opening Balance Sheet as at April 1, 2018 under IndAS.</p> <p>In view of significant degree of management judgment involved in the implementation of Ind AS framework and significance of various disclosures, the transition to Ind AS accounting framework has been identified as an area of key focus in our audit of the consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> • Assessed the Company’s process to identify the impact of adoption and transition to Ind AS. • Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of standalone Ind AS financial statements; • Reviewed the mandatory and optional exemptions and exceptions allowed by Ind AS and availed by the Company applying the first-time adoption principles of Ind AS 101; • Obtained an understanding of the governance over the determination of key judgments; • Evaluated and tested the key assumptions and judgments adopted by management in line with principles under Ind AS; • Assessed the disclosures made against the relevant Ind AS; and • Determined the appropriateness of the methodologies and models used along with the reasonability of the outputs.
2	<p>Accuracy in identification and categorisation of receivables from financing activities as performing and non-performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p>	<ul style="list-style-type: none"> • We have assessed the systems and processes laid down by the company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non-performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute

		<p>of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans have been examined to ensure compliance. We have also reviewed the reports generated from management information systems, audit reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.</p>
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Emphasis of Matter

We draw your attention to Note No. 31 to the Consolidated Ind AS Financial Statement for the year ended March 31, 2020, which describe the extent to which the COVID-19 pandemic will impact the Company's operations and financial performance which will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Boards' Report including Annexures to the Board Report , but does not include the Standalone Ind AS , Consolidated Ind AS Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance(including other comprehensive income), consolidated changes in equity and

consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Director of the Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Company and of its associates are responsible for assessing the 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 respective Board of Directors of the Company and of its associates are responsible for overseeing the financial reporting process of the Company and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company of which we are independent auditors and whose financial statements we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company and for the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company 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.

Other Matters

We did not audit the financial statements and other financial information of associates, which have been audited by other auditors. These financial statements & other information and auditors' reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate companies and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the associate companies is based solely on the report of such other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on consideration of report of the other auditors on separate financial statements and other financial information of associates, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
 - b) In our opinion, proper books of account as required by law have been maintained by the Company and its associates including relevant record relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of books and records of the Company and its Associates read with report of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and records maintained by the Company and its associates for the purpose of preparation of the Consolidated Ind AS Financial Statements;
 - d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors of the Company and its associates as on March 31, 2020, and taken on record by the respective Board of Directors, none of the directors of the Company and its associates is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls relevant to the Company's preparation of the Consolidated Ind AS Financial Statements, we refer to Annexure-A of our report of even date on the Consolidated Ind AS Financial Statements of the Company; and

- 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, we report that:
- i) There were no pending litigations which would impact the consolidated financial position of the Company and its associates.
 - ii) The Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate Companies.

For D A T A & CO
Chartered Accountants
(Firm Regn. No.105013W)

AJAY DAGA
Partner
M. No.44162
Place: Mumbai
Dated:31st July, 2020

UDIN: 2044162AAAAOR8859

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204
Consolidated Balance Sheet as at 31st March, 2020

Particulars	Notes	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
ASSETS				
Financial Assets				
Cash and Cash Equivalents	2	10,346,980	838,539	3,250,917
Loans	3	187,876,440	302,256,852	609,647,062
Investments	4	571,996,460	1,506,070,514	1,280,009,554
Other Financial Assets	5	40,454,938	46,677,480	27,652,834
Total Financial Assets		810,674,818	1,855,843,385	1,920,560,367
Non-Financial Assets				
Current Tax Assets (Net)	6	9,901,202	10,231,332	7,052,808
Total Non-Financial Assets		9,901,202	10,231,332	7,052,808
Total Assets		820,576,020	1,866,074,717	1,927,613,175
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Borrowings	7	460,000,000	570,000,000	830,000,000
Total Financial Liabilities		460,000,000	570,000,000	830,000,000
Non-Financial Liabilities				
Other Non-Financial Liabilities	8	14,337,976	303,269	272,852
Total Non-Financial Liabilities		14,337,976	303,269	272,852
EQUITY				
Equity Share Capital	9	19,920,000	19,920,000	19,920,000
Other Equity	10	326,318,044	1,275,851,447	1,077,420,322
Total Equity		346,238,044	1,295,771,447	1,097,340,322
Total Liabilities and Equity		820,576,020	1,866,074,717	1,927,613,175

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements. 16-36

As per our report of even date,
For D A T A & CO
Chartered Accountants
Firm Reg. No.105013W

AJAY DAGA
Partner
M. No. 44162

G.M. Loyalka
Director
DIN : 00299416

V.K.Seetharamaiya
Managing Director
DIN : 08216198

Place : Mumbai
Dated : 31.07.2020
UDIN: 20044162AAAOR8859

Disha Jain
Company Secretary

R.S.Jalan
Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	2019-20 (₹)	2018-19 (₹)
I. Revenue			
Interest Income		44,943,682	51,864,884
Dividend Income		147,750	217,000
Profit on Sale of Current Investment		361,724	121,280
Net gain on Investments measured at fair value through Profit & Loss		22,225	5,562
Total Revenue From Operations		45,475,381	52,208,726
Other Income	11	461,195	181,233
Total Revenue		45,936,576	52,389,959
II. Expenses			
Finance Costs	12	72,575,343	74,686,301
Employee Benefits Expense	13	2,129,764	1,443,915
Provision for Expected Credit Loss	14	(120,724)	(288,654)
Loss on sale of Investments		83,125,000	-
Other Expenses	15	796,420	4,209,053
Total Expenses		158,505,803	80,050,614
III. Profit/(Loss) Before Tax (I-II)		(112,569,227)	(27,660,655)
IV. Tax Expenses			
Current Tax		NIL	NIL
Deferred Tax		NIL	NIL
V. Net Profit/ (Loss) After Tax before share of result of Associates		(112,569,227)	(27,660,655)
VI. Share in Net Profit/ (loss) of Associates		(1,490,308)	(785,512)
VII. Net Profit/ (Loss) for the year		(114,059,535)	(28,446,168)
VIII. Other Comprehensive Income (OCI)			
<u>Items that will not be reclassified to profit and loss</u>			
Net Fair Value Gain/(Loss) on Investments in Equity Instruments through OCI		(835,594,342)	226,869,630
Remeasurement of the defined benefit plans		120,473	7,663
Total Other Comprehensive Income		(835,473,869)	226,877,293
IX. Total Comprehensive Income for the year		(949,533,403)	198,431,125
X. Basic and Diluted Earnings per share (Face value ₹ 10 each)	20	(57.28)	(14.28)
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	16-36		

As per our report of even date,

For D A T A & CO

Chartered Accountants

Firm Reg. No.105013W

AJAY DAGA

Partner

M. No. 44162

Place : Mumbai

Dated : 31.07.2020

UDIN: 20044162AAAOR8859

G.M. Loyalka

Director

DIN : 00299416

V.K.Seetharamalya

Managing Director

DIN : 08216198

Disha Jain
Company SecretaryR.S.Jalan
Chief Financial Officer

A) Equity Share Capital: (Refer No: 9)

Particulars	Balance as at 01.04.2018	Changes during the year	Balance as at 31.03.2019	Changes during the year	Balance as at 31.03.2020
Equity Share Capital	19,920,000	Nil	19,920,000	Nil	19,920,000
Total	19,920,000	Nil	19,920,000	Nil	19,920,000

B) Other Equity (Refer note : 10)

Particulars	Reserves and Surplus						Amount (₹)
	Capital Reserve	General Reserve	Statutory Reserve	Impairment Reserve	Retained Earnings	Items of OCI	Total Equity
Balance as at 01 April, 2018	20,669,380	4,147,949	53,645,541	956,694	132,387,240	865,613,518	1,077,420,322
Transfer to/from Impairment Reserve				(433,844)	433,844		-
Profit/(Loss) for the year					(28,446,168)		(28,446,168)
Other Comprehensive Income for the year						226,877,293	226,877,293
Balance as at 31 March, 2019	20,669,380	4,147,949	53,645,541	522,850	104,374,916	1,092,490,811	1,275,851,447

Particulars	Reserves and Surplus						Amount (₹)
	Capital Reserve	General Reserve	Statutory Reserve	Impairment Reserve	Retained Earnings	Items of OCI	Total Equity
Balance as at 01 April, 2019	20,669,380	4,147,949	53,645,541	522,850	104,374,916	1,092,490,811	1,275,851,447
Profit/(Loss) for the year					(114,059,535)		(114,059,535)
Transfer to/from Impairment Reserve				(180,010)	180,010		-
Other Comprehensive Income for the year						(835,473,869)	(835,473,869)
Balance as at 31 March, 2020	20,669,380	4,147,949	53,645,541	342,840	(9,504,609)	257,016,943	326,318,044

As per our report of even date attached
For D A T A & CO
Chartered Accountants
Firm Reg. No.105013W

AJAY DAGA
Partner
M. No. 44162

G.M. Loyalka
Director
DIN : 00299416

Y.K.Seetharamalya
Managing Director
DIN : 08216198

Place : Mumbai
Dated : 31.07.2020
UDIN: 20044162AAAOR8859

Disha Jain
Company Secretary

R.S.Jain
Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN : L17110MH1985PLC035204

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Particulars	Year Ended	
	31.03.2020 Rs.	31.03.2019 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) before taxation	(112,569,227)	(27,660,655)
Adjustments for:		
(Profit)/Loss on Sale of Investments	82,763,276	(121,280)
Net (gain) / loss on fair value changes	(22,225)	(5,562)
Impairment on Financial Instruments	(120,724)	(288,654)
Dividend Income	(147,750)	(217,000)
Operating Profit before working capital changes	(30,096,649)	(28,293,152)
Decrease / (Increase) in Loans	114,501,136	307,678,864
Decrease / (Increase) in Other Financial Assets	6,222,542	(19,024,646)
(Increase) / Decrease in Other Non-Financial Liabilities	14,155,180	38,080
Cash generated from operations	104,782,208	260,399,146
Direct Taxes (paid)/refund	330,130	(3,178,524)
Net Cash Flow from operating activities (A)	105,112,338	257,220,622
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Investments	77,848,355	3,550,000
Purchase of Investments	(63,600,000)	(3,400,000)
Dividend Income	147,750	217,000
Net Cash from/(used) in Investing activities (B)	14,396,105	367,000
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan Taken	465,000,000	570,000,000
Repayment of Loans	(575,000,000)	(830,000,000)
Net Cash from/(used) in financing activities (C)	(110,000,000)	(260,000,000)
Net cash flow during the year (A+B+C)	9,508,444	(2,412,378)
Cash & Cash Equivalents at beginning of period	838,539	3,250,917
Net Cash & Cash Equivalents at end of period (Refer Note 2)	10,346,980	838,539
Cash and Cash Equivalents consist of Cash on hand and Balances with banks.		
Cash on hand	2,213	5,825
Balance in Current Account	10,344,767	832,714
Cash and Cash Equivalents as restated	10,346,980	838,539

1. Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.

As per our report of even date,
For D A T A & CO
 Chartered Accountants
 Firm Reg. No.105013W

AJAY DAGA
 Partner
 M. No. 44162

G.M. Loyalka
 Director
 DIN : 00299416

V.K.Seetharamalya
 Managing Director
 DIN : 08216198

Place : Mumbai
 Dated : 31.07.2020
 UDIN: 20044162AAAOR8859

Disha Jain
 Company Secretary

R.S.Jalan
 Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

Corporate information

Kajal Synthetics and Silk Mills Limited (the Company) is domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L17110MH1985PLC035204. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the activity of Finance & Investment. The principal place of business of the Company is at Sonawala, 1st Floor, 29, Bank Street, Fort, Mumbai, Maharashtra.

1. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Consolidated financial statements

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These are the Company's first consolidated financial statements prepared in accordance with Ind AS. For all periods upto and including the year ended 31st March, 2019, the Company prepared its consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting immediately before adopting Ind AS. The consolidated financial statements for the year ended 31st March, 2019 and the opening consolidated Balance Sheet as at 1st April, 2018, being the date of transition to Ind AS; have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from the Previous GAAP to Ind AS on the Company's Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Statement of Cash Flows are provided in Note 28.

These Consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

i. Principals of Consolidation

a) The Consolidated financial statements of the Company and its associates have been prepared in accordance with the Ind AS 110 'Consolidated financial statements' and Ind AS – 28 "Investment in Associates" notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) The consolidated financial statements have been prepared on the following basis:

Investments in associates are accounted under equity method as per Ind AS – 28 "Investment in Associates". Under the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition and the carrying amount is increased/ decreased to recognize Company's share of profits/losses of the associates after the date of acquisition. Goodwill/Capital reserve arising on acquisition of the associates is included in the carrying amount of the respective investments. Unrealized profits resulting from transactions between the Company and the associates are eliminated to the extent of Company's interest in the associates. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Company.

c) The Consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate consolidated financial statements.

d) The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

e) The companies considered in the Consolidated financial statements are listed below:-

Sr. No	Name of the Company	Country of Incorporation	Date Of Becoming Associate	% Holding as on 31.03.2020
1	Park Avenue Engineering Limited	India	24.03.2008	44.11%
2	Five Star Trading & Investment Company Limited	India	26.03.2008	47.05%

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN: L17110MH1985PLC035204

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2020

B. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)

	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
Note 2 : CASH AND CASH EQUIVALENTS			
Cash in hand	2,213	5,825	2,022
Cheque on hand		83,984	-
Balances with Banks in - Current Accounts	10,344,767	748,730	3,248,895
Total	10,346,980	838,539	3,250,917
Note 3 : LOANS			
Unsecured ,Considered good			
Inter Corporate Loan	188,105,000	302,175,000	610,200,000
Advance to Employee	-	431,136	85,000
	188,105,000	302,606,136	610,285,000
Less: Impairment loss allowance	228,560	349,284	637,938
Total	187,876,440	302,256,852	609,647,062
Note 5 : OTHER FINANCIAL ASSETS			
Interest accrued on Inter Corporate Loans	40,454,938	46,677,480	27,652,834
Total	40,454,938	46,677,480	27,652,834
Note 6 : CURRENT TAX ASSETS (NET)			
Advance Income Taxes (Net of Provision for tax)	9,901,202	10,231,332	7,052,808
Total	9,901,202	10,231,332	7,052,808
Note 7 : BORROWINGS			
Unsecured			
Inter Corporate Loans	460,000,000	570,000,000	830,000,000
Total	460,000,000	570,000,000	830,000,000
Note 8 : OTHER NON-FINANCIAL LIABILITIES			
Expenses Payable	12,830,634	113,400	113,400
TDS Payable	1,418,941	18,749	10,500
Gratuity Payable	88,401	171,120	148,952
Total	14,337,976	303,269	272,852

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note 4 : INVESTMENTS

Particulars	Face Value	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
Non-Current Investments				
Investments at Fair Value (through OCI (FVTOCI))				
I) Quoted Equity Shares not held for trade				
Jay Shree Tea & Industries Limited (No. of shares held as at 31st March, 2020 : 45,000; 31st March, 2019 : 45,000; 1st April, 2018; 45,000)	5	1,381,500	2,916,000	3,876,750
Birla Tyres Limited * (No. of shares held as at 31st March, 2020 : 550,000; 31st March, 2019 : Nil ; 1st April, 2018 : Nil)	10	1,822,500	NIL	NIL
Kesoram Industries Limited (No. of shares held as at 31st March, 2020 : 550,000; 31st March, 2019 : 550,000 ; 1st April, 2018: 550,000)	10	10,120,000	40,012,500	59,867,500
Mangalam Cement Limited (No. of shares held as at 31st March, 2020 : 264,000; 31st March, 2019 : 264,000 ; 1st April, 2018: 2,64,000)	10	39,600,000	70,752,000	86,116,800
Mangalam Timber Products Limited (No. of shares held as at 31st March, 2020 : 352,838; 31st March, 2019 : 352,838 ; 1st April, 2018: 352,838)	10	2,738,023	5,998,246	7,903,571
Mansoon Trading Company Limited (No. of shares held as at 31st March, 2019 : 366,000; 31st March, 2019 : 366,000 ; 1st April, 2018 : 366,000)	10	276,336,327	641,479,855	448,077,443
Meenakshi Steel Industries Limited (No. of shares held as at 31st March, 2020 : 255,500; 31st March, 2019 : 255,500; 1st April, 2018 : 255,500)	10	173,911,740	358,173,716	299,073,721
Nilkanth Engineering Limited (No. of shares held as at 31st March, 2020 : 206,000; 31st March, 2019 : 206,000 ; 1st April, 2018 : 206,000)	10	NIL	1,041,913	3,715,502
		505,710,090	1,120,374,230	908,631,287
* During the year the Company has received 5,50,000 fully paid-up Equity Shares of Rs.10/- each of Birla Tyres Limited for every Equity Share of Rs.10/- each held in Kesoram Industries Limited pursuant to the Scheme of Arrangement between Kesoram Industries Limited and Birla Tyres Limited.				
II) Unquoted Equity Shares not held for trade				
Associates :				
Five-Star Trading & Investment Company Limited (No. of shares held as at 31st March, 2020 : 120,001; 31st March, 2019 : 1,20,001; 1st April, 2018 : 120,001)	10	15,332,565	15,332,565	31,463,588
Less: Capital Reserve on Investment in Associates		19,433,565	19,433,565	19,433,565
Add: Excess Capital Reserve recorded earlier now rectified		16,131,023	16,131,023	NIL
		12,030,020	12,030,020	12,030,020
- Accumulated share in profit/(loss) at the beginning of the year		3,868,699	4,234,374	(8,827,494)
- Excess loss provided earlier now rectified		-	-	12,577,651
- Share in Profit/(Loss) of current year		(1,381,053)	(366,675)	484,217
		14,617,666	15,898,719	16,264,394
Park Avenue Engineering Limited (No. of shares held as at 31st March, 2020 : 21,54,250; 31st March, 2019 : 21,54,250 ; 1st April, 2018 : 21,54,250)	10	24,936,440	24,936,440	24,936,440
Less: Capital Reserve on Investment in Associates		2,476,189	2,476,189	2,476,189
		22,460,251	22,460,251	22,460,251
- Accumulated share in profit/(loss) at the beginning of the year		(2,004,948)	(1,585,111)	(2,437,537)
- Loss provided less in earlier year now rectified		-	-	980,998
- Share in Profit/(Loss) of current year		(109,255)	(419,837)	(128,572)
		20,346,048	20,455,303	20,875,140
Others:				
Pintail Really Developers Private Limited (No. of shares held as at 31st March, 2020 : 2,00,000; 31st March, 2019 : 2,00,000 ; 1st April, 2018 : 200,000)	10	28,076,966	28,498,915	30,288,157
Niranjan Housing Private Limited (No. of shares held as at 31st March, 2020 : 55,945; 31st March, 2019 : 55,945 ; 1st April, 2018 : 55,945)	10	NIL	220,508,252	203,592,323
		62,940,680	285,361,189	271,020,014
5% Cumulative Redeemable fully convertible Preference Shares of Niranjan Housing Private Limited (No. of shares held as at 31st March 2020: Nil ; 31st March 2019: 125000 ; 1st April 2018 : 125000)	10	NIL	100,000,000	100,000,000
		NIL	100,000,000	100,000,000
Investments at Fair Value through Profit & Loss (FVTPL)				
Unquoted Units of Mutual Funds				
Aditya Birla Sun Life Liquid Fund - Growth Regular Plan (No. of Units held as at 31st March, 2020 - Nil, 31st March, 2019 - 1120.697, 1st April, 2018 - 1287.594)	100	NIL	335,094	358,252
Aditya Birla Sun Life Liquid Fund - Growth Direct Plan (No. of units held as at 31st March, 2020 : 10469.700, 31st March, 2019 - Nil, 1st April, 2018 - Nil)	100	3,345,690	NIL	NIL
		3,345,690	335,094	358,252
Total		671,096,480	1,508,070,514	1,280,008,554
Aggregate value of quoted investments		505,710,090	1,120,374,230	908,631,287
Aggregate value of unquoted investments		66,286,370	385,696,283	371,378,266

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note 9: SHARE CAPITAL

Particulars	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
Authorised:			
20,00,000 (March 31, 2019: 20,00,000 ; April 1 2018: 20,00,000) Equity Shares, of Rs. 10 par value	20,000,000	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Fully Paid-up Shares			
19,92,000 (March 31, 2019: 19,92,000 ; April 1 2018 : 19,92,000) Equity Shares, of Rs. 10 par value	19,920,000	19,920,000	19,920,000
Total	<u><u>19,920,000</u></u>	<u><u>19,920,000</u></u>	<u><u>19,920,000</u></u>

(i) The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.

(ii) The Company has only one class of equity shares having a par value of Rs. 10/- per share . Each holder of equity share is entitled to same rights in all the assets.

(iii) Disclosure of Shareholders holding more than 5% of Share Capital:

Name of Shareholder	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Pick-Me-Quick Holdings Private Limited	420,100	21.09	420,100	21.09	420,100	21.09
Peigeon Finance And Investment Private Limited	396,050	19.88	396,050	19.88	396,050	19.88
Benhur Investment Company Private Limited	452,650	22.72	452,650	22.72	452,650	22.72
Mragya Finance & Investment Private Limited	467,200	23.45	467,200	23.45	467,200	23.45
Five Star Trading & Investment Company Limited	241,000	12.10	241,000	12.10	241,000	12.10

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

NOTE 10 : OTHER EQUITY

Particulars	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
(i) Capital Reserve	20,669,380	20,669,380	20,669,380
(ii) Statutory Reserve	53,645,541	53,645,541	53,645,541
(iii) General Reserve	4,147,949	4,147,949	4,147,949
(iv) Impairment Reserve	342,840	522,850	956,694
(v) Retained Earnings	(9,504,609)	104,374,916	132,387,240
(vi) Items of Other Comprehensive Income	257,016,943	1,092,490,811	865,613,518
Total	326,318,044	1,275,851,447	1,077,420,322

Notes:

Capital Reserve :

This reserve represents the amount received under Amnesty Scheme during the year ended 31.03.1992

Statutory Reserve : Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by the RBI.

General Reserve

General Reserve is the amount of transfers from profit of the Company .

Impairment Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' is not reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

Retained Earnings

Retained Earnings are the profits the Company has earned till date less any transfers to general reserve, dividends , impairment reserve, other distributions paid to shareholders.

Equity Instruments through Other Comprehensive

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Particulars	2019-20 (₹)	2018-19 (₹)
Note 11 : OTHER INCOME		
Interest Received on Employee Loan	27,498	40,698
Interest Received on Income Tax Refund	433,697	140,535
Total	461,195	181,233
Note 12 : FINANCE COSTS		
Interest Expense on Inter Corporate Loan	72,575,343	74,686,301
Total	72,575,343	74,686,301
Note 13 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Allowances	2,041,900	1,398,850
Staff Welfare Expenses	50,110	15,234
Gratuity	37,754	29,831
Total	2,129,764	1,443,915
Note 14 : EXPECTED CREDIT LOSS		
Provision for Expected Credit Loss	(120,724)	(288,654)
Total	(120,724)	(288,654)
Note 15: OTHER EXPENSES		
Advertisement Expenses	21,041	17,841
Bank Charges	2,003	2,267
Custodian / ISIN activation charges	21,240	22,438
Filing Fees	7,200	7,500
Legal and Professional Charges	196,678	92,935
Listing Fees	354,000	295,000
Reinstatement Fees paid to BSE	NIL	3,540,000
Demat Account Charges	944	944
Conveyance	7,460	51,057
General Expenses	29,962	17,067
Telephone Expenses	8,392	5,400
Travelling Expenses	NIL	4,384
Credit Information Membership fees	41,300	35,400
Payment to Auditors	106,200	116,820
Total	796,420	4,209,053
15.1 Payment to auditors		
Statutory audit fees	50,000	50,000
Consolidation fees	30,000	30,000
Certification fees	10,000	19,000
GST	16,200	17,820
Total	106,200	116,820

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

16. Contingent Liability not provided in respect of:-

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.-Nil (Previous year- Rs. Nil).
- b) Other Contingent Liabilities not provided for - Rs. Nil (Previous year- Rs. Nil).

17. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020.

18. There were no dues/outstanding amounts payable to Micro, Small and Medium Enterprises included under Financial and Non-Financial Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year –Rs. Nil).

19. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made for all known liabilities.

20. Earnings Per Share

Particulars	For the Year Ended March 31,2020	For the Year Ended March 31,2019
(a) Calculation of weighted average number of Equity Shares of Rs. 10/- each		
No. of Equity Shares at the beginning of the year	19,92,000	19,92,000
Equity Shares issued during the year	NIL	NIL
Total number of Equity Shares outstanding at the end of the year	19,92,000	19,92,000
(b) Net Profit / (Loss) after tax available for equity shareholders (Rs.)	(11,40,59,535)	(28,446,168)
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	(57.26)	(14.28)

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

21. Related Party Disclosures:-**A) Related party disclosures as required by Ind AS 24 - Related party disclosures****a) List of Related parties****i) Key Management Personnel**

Gangaprasad Loyalka	Director
Seetharamaiya Vellore	Managing Director
R.S. Jalan	Chief Financial Officer
Disha Jain	Company Secretary

B) Material Transactions with related parties during the Year (Rs.) :

Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
		Amount Rs	Amount Rs
1	Salary Paid to Seetharamaiya - Managing Director	17,17,900	7,64,550
2	Salary Paid to Disha Jain - Company Secretary	3,24,000	3,00,000
Total		20,41,900	10,64,550

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

All transactions with these related parties are priced on an arm's length basis.

C) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under.

Period	Balance of Loans and advances As at	Maximum balance outstanding during the year ended
31st March, 2020	Nil	Nil
31 st March, 2019		
31st March, 2018		

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note No.22

Summaries of Financial Information for the Associates as required by para B12 Indian Accounting Standard (Ind AS) 112 -Disclosure of Interests in Other Entities are given below :

FIVE STAR TRADING & INVESTMENT COMPANY LIMITED

Particulars	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
ASSETS			
Financial Assets			
Cash and cash equivalents	547,964	1,169,359	3,345,586
Loans	11,850,000	15,350,000	14,450,000
Investments	2,416,025	2,416,025	2,416,025
Other Financial Assets	7,689,550	713,794	23,064
Total Financial Assets	22,403,539	19,649,178	20,234,675
Non-Financial Assets			
Current Tax Assets (Net)	457,078	395,447	373,437
Property, plant and equipment	28,916,947	30,857,065	30,999,440
Other Non-Financial Assets	-	-	-
Total Non-Financial Assets	29,374,025	31,252,512	31,372,877
Total Assets	51,777,565	50,901,690	51,607,552
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Other Financial Liabilities	10,000,000	10,000,000	10,000,000
Total Financial Liabilities	10,000,000	10,000,000	10,000,000
Non-Financial Liabilities			
Other Non-Financial Liabilities	3,902,507	91,344	20,000
Total Non-Financial Liabilities	3,902,507	91,344	20,000
EQUITY			
Equity Share Capital	2,550,500	2,550,500	2,550,500
Other equity	35,324,558	38,259,846	39,037,052
	37,875,058	40,810,346	41,587,552
Total Liabilities and Equity	51,777,565	50,901,690	51,607,552

	2019-20	2018-19
Revenue		
Interest Income	1,335,701	1,470,493
Rent Income	531,888	671,444
Profit on Sale of Current Investments	45,758	8,680
Other Income	242,060	240,000
Total Revenue	2,155,407	2,390,617
Profit or (loss) before tax	(2,624,889)	(339,647)
Tax Expense	(310,399)	(437,559)
Profit or (loss) after tax	(2,935,288)	(777,206)
Other comprehensive income.	-	-
Total comprehensive income.	(2,935,288)	(777,206)

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020
Note No.22

Summaries of Financial Information for the Associates as required by para B12 Indian Accounting Standard (Ind AS) 112 -Disclosure of Interests in Other Entities are given below :

PARK AVENUE ENGINEERING LIMITED

Particulars	As at 31 March, 2020 (₹)	As at 31 March, 2019 (₹)	As at 1st April, 2018 (₹)
ASSETS			
Financial Assets			
Cash and cash equivalents	215,425	221,640	298,654
Investments	34,588,298	34,476,194	34,895,868
Other Financial Assets	213,864	93,677	75,677
Total Financial Assets	35,017,587	34,791,511	35,270,199
Non-Financial Assets			
Current Tax Assets (Net)	1,461,838	1,419,838	1,377,208
Property, plant and equipment	15,335,676	15,851,449	16,367,223
Other Non-Financial Assets	-	-	-
Total Non-Financial Assets	16,797,514	17,271,287	17,744,431
Total Assets	51,815,101	52,062,798	53,014,630
LIABILITIES AND EQUITY			
LIABILITIES			
Non-Financial Liabilities			
Other Non-Financial Liabilities	73,750	73,750	73,750
EQUITY			
Equity Share Capital	48,840,000	48,840,000	48,840,000
Other equity	2,901,351	3,149,048	4,100,880
Total Equity	51,741,351	51,989,048	52,940,880
Total Liabilities and Equity	51,815,101	52,062,798	53,014,630

	2019-20	2018-19
Revenue		
Net Gain on Fair Value Changes	37,854	60,720
Rent Income	475,152	443,935
Total Revenue	513,006	504,655
Profit or (loss) before tax	(621,947)	(995,777)
Tax Expense	-	1,945
Profit or (loss) after tax	(621,947)	(993,832)
Other comprehensive income.	374,250	42,000
Total comprehensive income.	(247,697)	(951,832)

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)

Note 23. Financial instrument and fair value measurement

A. Accounting classifications and fair values:

As at 31st March, 2020	Amortised Cost	Carrying amount		Others (At Cost)	Fair Value			Total
		At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income		Level 1	Level 2	Level 3	
Financial assets measured at amortised cost Investments	-	-	-	-	-	-	-	-
Financial assets measured at fair value Investments	-	3,345,660	533,767,056	34,863,714	58,807,713	478,325,033	34,863,714	571,986,460
Financial assets not measured at fair value Cash and cash equivalents	10,346,980	-	-	-	-	-	-	-
Loans	187,876,440	-	-	-	-	-	-	-
Other Financial Assets	40,454,838	-	-	-	-	-	-	-
Financial liabilities not measured at fair value Borrowings	460,000,000	-	-	-	-	-	-	-
As at 31st March, 2019								
Financial assets measured at amortised cost Investments	-	-	-	-	-	-	-	-
Financial assets measured at fair value Investments	-	335,094	1,369,381,397	136,354,022	120,013,840	1,249,702,651	136,354,022	1,506,070,514
Financial assets not measured at fair value Cash and cash equivalents	838,539	-	-	-	-	-	-	-
Loans	302,256,852	-	-	-	-	-	-	-
Other Financial Assets	46,677,480	-	-	-	-	-	-	-
Financial liabilities not measured at fair value Borrowings	570,000,000	-	-	-	-	-	-	-
As at 1st April, 2018								
Financial assets measured at amortised cost Investments	-	358,252	1,142,511,767	137,139,535	158,122,873	984,747,146	137,139,535	1,280,009,554
Financial assets measured at fair value Investments	-	-	-	-	-	-	-	-
Financial assets not measured at fair value Cash and cash equivalents	3,250,917	-	-	-	-	-	-	-
Loans	609,647,062	-	-	-	-	-	-	-
Other Financial Assets	27,652,834	-	-	-	-	-	-	-
Financial liabilities not measured at fair value Borrowings	830,000,000	-	-	-	-	-	-	-

1) The carrying amount of the investments in Associates and Preference shares are valued at Cost.

2) The management assessed that cash and cash equivalents and bank balances, other financial assets, certain investments, and other current financial liabilities approximate their fair value.

Notes 23

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as Their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

iv) Valuation techniques

Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial year and such investments are classified as level 1.

Equity investments in unquoted instruments and some quoted equity instruments which are not actively traded on stock exchanges are fair valued using the generally accepted valuation technique of networth criteria and accordingly classified as Level 2.

24. Financial risk management objectives and policies

The Company's principal financial liabilities comprise Borrowings. The Company's financial assets include Investments, Loans, Interest receivable on Loan and Cash and Cash Equivalents that it derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Borrower / Customer; however, management also considers the factors that may influence the credit risk of its customer base. Including the default risk associated with the industry. The Company's exposure to credit risk for loans and advances is as follows;

Carrying Amount	Amount(in Rs.)		
Particular	As at 31st March ,2020	As at 31st March, 2019	As at 01st April ,2018
Inter Corporate Loan	18.81Cr.	30.22 Cr.	61.02 Cr.
Non Corporate Loans	Nil	0.04 Cr.	0.008 Cr.
Interest Accrued on above Loans	4.05 Cr.	4.67 Cr.	2.76 Cr.

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The Loans are repayable on demand, however an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Cash and cash equivalent

Credit risk on Cash and Cash Equivalent is limited as the fund are in Current Account.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows at the beginning of the year and planned accordingly the funding requirement. The Company manages its liquidity by borrowings, inter-corporate deposits accepted and redemption of investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particular	As at 31 March, 2020 (₹)		
	Up to 12 months	More than 12 months	Total
Borrowings	46,00,00,000	-	46,00,00,000
Other Non-Financial Liabilities	14,337,976	-	14,337,976

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Particular	As at 31 March, 2019 (₹)		
	Up to 12 months	More than 12 months	Total
Borrowings	57,00,00,000	-	57,00,00,000
Other Non Current Liabilities	3,03,269	-	3,03,269

Particular	As at 01 April, 2018 (₹)		
	Up to 12 months	More than 12 months	Total
Borrowings	83,00,00,000	-	83,00,00,000
Other Non-Financial Liabilities	2,72,852	-	2,72,852

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Particulars	As at 31 March, 2020			As at 31 March, 2019			As at 1st April, 2018		
	Within 12 months	Afer 12 months	Total	Within 12 months	Afer 12 months	Total	Within 12 months	Afer 12 months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	10,346,980	-	10,346,980	838,539	-	838,539	3,250,917	-	3,250,917
Loans	167,876,440	-	167,876,440	302,256,852	-	302,256,852	609,647,062	-	609,647,062
Investments	3,345,690	568,650,770	571,996,460	335,094	1,505,735,420	1,506,070,514	358,252	1,279,651,302	1,280,009,554
Other Financial Assets	40,454,938	-	40,454,938	46,677,480	-	46,677,480	27,652,834	-	27,652,834
Non-Financial Assets									
Current Tax Assets (Net)	9,901,202	-	9,901,202	10,231,332	-	10,231,332	7,052,808	-	7,052,808
Total Assets	251,925,250	568,650,770	820,576,020	360,339,297	1,505,735,420	1,866,074,717	647,961,873	1,279,651,302	1,927,613,175
LIABILITIES									
Financial Liabilities									
Borrowings	460,000,000	-	460,000,000	570,000,000	-	570,000,000	830,000,000	-	830,000,000
Other Non-Financial Liabilities	14,337,976	-	14,337,976	303,269	-	303,269	272,852	-	272,852
Total Liabilities	474,337,976	-	474,337,976	570,303,269	-	570,303,269	830,272,852	-	830,272,852
Net Position	(222,412,726)	568,650,770	346,238,044	(209,963,972)	1,505,735,420	1,295,771,448	(182,310,979)	1,279,651,302	1,097,340,323

Note No.25

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

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26. Capital Management:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment policy, buy back or further issue of capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

27. Employee Benefit Expense:

Defined Benefit Plans

The gratuity liability is not funded but is ascertained on actuarial basis as per Ind AS 19.

There are no other **post-retirement** benefits provided to employees. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The disclosures of employee benefits as defined in Ind AS 19 are given as below:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

i. Expenses recognized during the year in the Statement of Profit and Loss :

	31.03.2020	31.03.2019
	Amount (In Rs.)	Amount (In Rs.)
Current Service Cost	24,680	18,406
Interest Cost (net)	13,074	11,425
Total Expenses recognized in Profit and Loss	37,754	29,831

ii. Expenses recognized during the year in Other Comprehensive Income :

	31.03.2020	31.03.2019
	Amount (In Rs.)	Amount (In Rs.)
Actuarial (Gain)/ Loss due to demographic assumptions	-	-
Actuarial (Gain)/ Loss due to financial assumptions	15,675	1347
Actuarial (Gain)/ Loss due to experience	(1,36,148)	(9010)
Total Actuarial (Gain)/ Loss	(1,20,473)	(7,663)

iii. Movements in the Liability recognized in Balance Sheet

	31.03.2020	31.03.2019
	Amount (In Rs.)	Amount (In Rs.)
Opening Net Liability	1,71,120	1,48,952
Expenses	37,754	29,831
Contribution paid	-	-
Other Comprehensive Income	(120,473)	(7,663)
Closing Net Liability recognized in the Balance Sheet	88,401	171,120

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

iv. Reconciliation of opening and closing balance of defined benefit obligation:

	31.03.2020	31.03.2019
	Amount (In Rs.)	Amount (In Rs.)
Present value of obligation as at beginning	1,71,120	1,48,952
Interest Cost	13,074	11,425
Current Service Cost	24,680	18,406
Past Service Cost	-	-
Benefits paid	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (gain) / loss on obligation	(1,20,473)	(7,663)
Present value of obligation as at end	88,401	1,71,120

v. Reconciliation of opening and closing balance of fair value of plan assets :

	2019-2020	2018-2019
	Amount (In Rs.)	Amount (In Rs.)
Fair value of plan assets as at beginning	-	-
Fair value of plan assets as at end	-	-

vi.

Actuarial Assumptions

	31.03.2020	31.03.2019
Discount Rate	6.80%	7.64%
Rate of Increase in compensation	12.00%	12.00%
Expected average remaining service	12.51	24.32
Retirement age	60years	60years
Employee attrition rate	0.8%	0.8%
Mortality Table	Indian assured lives mortality (2006-08) Ultimate	Indian assured lives mortality (2006-08) Ultimate

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vii. Sensitivity Analysis

	DISCOUNT RATE		SALARY ESCALATION RATE	
	Increase in Discount Rate by 1%	Decrease in Discount Rate by 1%	Increase in Salary Escalation Rate by 1%	Decrease in Salary Escalation Rate by 1%
Projected benefit obligation based on above assumptions	1,25,091	1,65,689	1,64,267	1,25,800

(Amount in Rs.)

viii. Expected Payout

Year	Expected outgo first	Expected outgo second	Expected outgo third	Expected outgo fourth	Expected outgo fifth	Expected outgo six to ten years
Payouts (Amount in Rs.)	362	741	859	1451	1654	81332

Notes:

- (a) The current service cost recognized as an expense is included in the Note 13 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- (b) The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Based on materiality the Company is recognizing the entire liability of Rs. 88,401/- (P.Y. Rs. 171,120/-) as non current in Note No.8: Other Non Financial Liability, which includes the portion of current liability of Rs. 502/- (P.Y. Rs. 520/-).

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note No. 28

First-time adoption of Ind AS

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of April 01, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

Mandatory exceptions to the retrospective application of Ind AS

(i) Estimates

The estimates at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2018, the date of transition to Ind AS and as of March 31, 2019.

(ii) Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs.

(iii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition and the Company has complied accordingly.

As per Ind AS 101, for financial assets or financial liabilities classified as at amortised cost, if it is Impracticable for the Company to apply retrospectively the effective interest method as mentioned in Ind AS 109, the fair value of the financial assets or financial liabilities at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or financial liability at the date of transition to Ind AS.

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- 1 Reconciliation of Balance sheet as at April 01, 2018 (Transition Date) and as at March 31, 2019.
- 2 Reconciliation of Statement of Profit & Loss for the year ended March 31, 2019
- 3 Reconciliation of other equity as at April 01, 2018 and March 31, 2019
- 4 Reconciliation of total comprehensive income for the year ended March 31, 2019
- 5 Reconciliation of statement of cash flows for the year ended March 31, 2019.

KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note No. 28

1 Reconciliation of balance sheet as at April 01, 2018 (date of transition to Ind AS)

			(Rupees)
	Indian GAAP	Adjustments	Ind AS
ASSETS			
Financial assets			
Cash and Cash Equivalents	3,250,917	-	3,250,917
Loans	610,285,000	(637,938)	609,647,062
Investments	408,529,803	871,479,751	1,280,009,554
Other Financial Assets	27,652,834	-	27,652,834
Total Financial assets	1,049,718,554	870,841,813	1,920,560,367
Non- Financial assets			
Current Tax Assets (Net)	7,052,808	-	7,052,808
Total Non-Financial assets	7,052,808	-	7,052,808
Total Assets	1,056,771,362	870,841,813	1,927,613,175
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Borrowings	830,000,000	-	830,000,000
Total Financial Liabilities	830,000,000	-	830,000,000
Non- Financial Liabilities			
Provisions	1,594,632	(1,594,632)	-
Other Non-Current Liabilities	272,852	-	272,852
Total Non-Financial Liabilities	1,867,484	(1,594,632)	272,852
EQUITY			
Equity Share Capital	19,920,000	-	19,920,000
Other Equity	204,983,878	872,436,445	1,077,420,323
Total Equity	224,903,878	872,436,445	1,097,340,323
Total Liabilities and Equity	1,056,771,362	870,841,813	1,927,613,175

1 Reconciliation of balance sheet as at March 31, 2019

	Indian GAAP	Adjustments	Ind AS
ASSETS			
Financial assets			
Cash and Cash Equivalents	838,539	-	838,539
Loans	302,606,136	(349,284)	302,256,852
Investments	412,610,782	1,093,459,732	1,506,070,514
Other Financial Assets	46,677,480	-	46,677,480
Total Financial assets	762,732,937	1,093,110,448	1,865,843,385
Non- Financial assets			
Current Tax Assets (Net)	10,231,332	-	10,231,332
Total Non-Financial assets	10,231,332	-	10,231,332
Total Assets	772,964,269	1,093,110,448	1,866,074,717
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Borrowings	570,000,000	-	570,000,000
Total Financial Liabilities	570,000,000	-	570,000,000
Non- Financial Liabilities			
Provisions	872,134	(872,134)	-
Other Non-Current Liabilities	303,269	-	303,269
Total Non-Financial Liabilities	1,175,403	(872,134)	303,269
EQUITY			
Equity Share Capital	19,920,000	-	19,920,000
Other Equity	181,868,865	1,093,982,582	1,275,851,448
Total Equity	201,788,865	1,093,982,582	1,295,771,448
Total Liabilities and Equity	772,964,268	1,093,110,448	1,866,074,717

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Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020
Note No. 28

2 Reconciliation of profit or loss for the year ended March 31, 2019

Particulars	Indian GAAP	Adjustments	Ind AS
Income			
Interest Income	51,864,884	-	51,864,884
Dividend Income	217,000	-	217,000
Gain on current Investment	121,280	5,562	126,842
Other Income	903,731	(722,498)	181,233
Total revenue (I)	53,106,895	(716,936)	52,389,959
Expenses			
Finance costs	74,686,301	-	74,686,301
Employee benefits expense	1,436,252	7,663	1,443,915
Provision for Expected Credit Loss	-	(288,654)	(288,654)
Other Expenses	4,209,053	-	4,209,053
Total expenses (II)	80,331,606	(280,991)	80,050,615
Profit/ (Loss) before tax (I-II)	(27,224,711)	(435,945)	(27,660,656)
Deferred Tax	-	-	-
(Excess)/ Short Provision of Earlier Years	-	-	-
Profit/ (Loss) for the year	(27,224,711)	(435,945)	(27,660,656)

3 Reconciliation of other equity as at April 01, 2018 and March 31, 2019

Particulars	As at March 31, 2019	As at April 1, 2018
Total Other Equity under Previous GAAP (A)	181,868,865	204,983,878
Fair Value Gain/ (Loss) on Financial Instruments at Fair Value through Profit & Loss	11,608	6,046
Other adjustment on account of Associates	964,976	5,860,187
Excess of contingent provision on standard assets written back	522,850	956,694
Reduction of Loss due to remeasurement of defined benefit plan	(7,663)	-
Fair Value Gain/(Loss) on Financial Instruments at Fair Value through Other Comprehensive Income	1,092,483,148	865,613,518
Remeasurement of the defined benefit plans through Other Comprehensive Income	7,663	-
Total Other Equity under Ind AS (A+B)	1,275,851,448	1,077,420,323

4 Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

Particulars	Year ended March 31, 2019
Net profit/(loss) under previous Indian GAAP	(28,061,115)
Gain on Financial Instruments at Fair Value through Profit & Loss	5,562
Change in profit of associate on convergence to Ind AS	50,891
Increase in Employee benefit expense due to remeasurement of defined benefit obligation	(7,663)
Reversal of Contingent Provision on Standard Assets	(722,498)
Provision for Expected Credit Loss as per Ind AS 109	288,654
Actuarial Gain on remeasurement of defined benefit obligation	7,663
Gain on Financial Instruments Fair Valued through Other Comprehensive Income	226,869,630
Total Comprehensive Income / (Loss) as per Ind AS	198,431,125

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020
Note No. 28

Particulars	Indian GAAP	Adjustments	Ind AS
Net Cash Flows from in Operating Activities	257,437,623	217,000	257,220,623
Net Cash Flows from Investing Activities	150,000	(217,000)	367,000
Net Cash Flows from Financing Activities	(260,000,000)	-	(260,000,000)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(2,412,377)	-	(2,412,377)
Cash and Cash Equivalents at the beginning of year	3,250,917	-	3,250,917
Cash and Cash Equivalents at the end of year	838,540	-	838,540

Notes to the Reconciliation

1) Fair value through other comprehensive income of financial assets

Investments

Under Previous GAAP, the Company accounted for long-term investments in unquoted and quoted equity shares as investment measured at cost less provision for permanent diminution in the value of investments, if any. Under Ind AS, financial assets representing investment in equity shares of entities other than associates have to be fair valued. At the date of transition to Ind AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve. Accordingly, an amount of Rs.22,68,69,830 has been recognised in OCI for the year ended 31st March, 2019 and an amount of Rs.86,56,13,518 has been recognised as on 01st April, 2018.

2) Investments - at fair value through profit or loss

Under Previous GAAP, the Company accounted for current investments in mutual funds as Investments measured at lower of cost and net realisable value. Under Ind AS, financial assets representing investments in mutual funds has been valued as investments designated at fair value through profit or loss. At the date of transition to Ind AS, difference of Rs 6,046/- between the instruments fair value and Previous GAAP carrying amount has been recognised in the retained earnings as on 01st April, 2018. Further, the amount of Rs.6,046/- as at 01.04.2018 Rs. 5,562/- relating to year ended 31.03.2019, totaling to Rs. 11,608/- has been recognised for the year ended 31st March, 2019.

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note No.29

Impairment on Financial Instruments

Background of Expected Credit Loss

Expected Credit Loss is a calculation of the present value of the amount expected to be lost on a financial asset. The key components of Credit Risk assessment are:

1. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
2. Exposure at Default (EAD): represents how much the obligor is likely to be borrowing at the time of default.
3. Loss Given Default (LGD): represents the proportion of EAD that is likely to be lost post-default.

The definition of default is taken as 90 days past due for all retail and corporate loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

- 0-30 days past due loans classified as stage 1
- Between 31-90 days past due loans classified as stage 2 and
- Above 90 days past due loans classified as stage 3

EAD is the total amount outstanding including accrued interest as on the reporting date.

The ECL is computed as a product of PD, EAD and LGD.

Non-Individual Loans

1.1 Credit Quality of Assets

The Non-individual/corporate book is assessed at the loan type level and the provisioning is done at an account

The 12 month PD has been applied on stage 1 loans. The PD term structure i.e Lifetime PD has been applied on (Rs.)

Particulars	Stage - 1	Stage - 2	Stage - 3	Total
As at March 31, 2020				
Corporate loans / inter-corporate deposits	187,480,000	-	-	187,480,000
Interest accrued thereon	40,398,688	-	-	40,398,688
Total	227,878,688	-	-	227,878,688
As at March 31, 2019				
Corporate loans / inter-corporate deposits	301,550,000	-	-	301,550,000
Interest accrued thereon	46,676,864	-	-	46,676,864
Total	348,226,864	-	-	348,226,864
As at March 31, 2018				
Corporate loans / inter-corporate deposits	609,800,000	-	-	609,800,000
Interest accrued thereon	27,569,934	-	-	27,569,934
Total	637,369,934	-	-	637,369,934

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note No.29

1.2. An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

Reconciliation of gross carrying amount of corporate loans / inter-corporate deposits:

(Rs.)				
Particulars	Stage - 1	Stage - 2	Stage - 3	Total
Year ended March 31, 2020				
Gross carrying amount opening balance	348,226,864	-	-	348,226,864.00
New assets originated / advanced	484,428,688	-	-	484,428,688.00
Assets derecognised / repaid	(604,776,864)	-	-	(604,776,864)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	227,878,688	-	-	227,878,688.00
Year ended March 31, 2019				
Gross carrying amount opening balance	637,369,934	-	-	637,369,934
New assets originated / advanced	640,326,864	-	-	640,326,864
Assets derecognised / repaid	(929,469,934)	-	-	(929,469,934)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	348,226,864	-	-	348,226,864
Year ended March 31, 2018				
Gross carrying amount opening balance	518,120,158	-	-	518,120,158
New assets originated / advanced	903,869,934	-	-	903,869,934
Assets derecognised / repaid	(784,620,158)	-	-	(784,620,158)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	637,369,934	-	-	637,369,934

Reconciliation of ECL balance:

(Rs. in Lakhs)				
Particulars	Stage - 1	Stage - 2	Stage - 3	Total
Year ended March 31, 2020				
ECL allowance - opening balance	349,284	-	-	349,284
ECL allowance recognised during the year	(120,724)	-	-	(120,724)
ECL allowance - closing balance	228,560	-	-	228,560
Year ended March 31, 2019				
ECL allowance - opening balance	637,938	-	-	637,938
ECL allowance recognised during the year	(288,654)	-	-	-288,654
ECL allowance - closing balance	349,284	-	-	349,284
Year ended March 31, 2018				
ECL allowance - opening balance	-	-	-	-
ECL allowance recognised during the year	637,938	-	-	637,938
ECL allowance - closing balance	637,938	-	-	637,938

KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note No. 30

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as on 31st March 2020

Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities.		Share in profit or loss.		Share in other comprehensive income.		Share in total comprehensive income.	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Kajal Synthetics And Silk Mills Limited	89.93	311,374,330	98.69	(112,569,227)	100.00	(835,473,869)	99.84	(948,043,095)
Associates								
Five Star Trading & Investment Co. Limited	4.19	14,517,666	121,081.76	(1,381,053)	0.00	0.00	0.15	(1,381,053)
Park Avenue Engineering Limited	5.88	20,346,048	9,578.77	(109,255.04)	0.00	0.00	0.01	(109,255)
Sub Total	100.00	346,238,044	130,759.23	(114,059,535)	100.00	(835,473,869)	100.00	(949,533,403)
Inter-Company Elimination & Consolidation Reserve.	-	-	-	-	-	-	-	-
Consolidated Net Asset/ Total Comprehensive Income for the year.	100.00	346,238,044	130,759.23	(114,059,535)	100.00	(835,473,869)	100.00	(949,533,403)

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

31. COVID-19 was declared a Global pandemic on 11 March, 2020 by the WHO and the Government of India announced a Lockdown on 24th March, 2020. We believe that the impact assessment of this pandemic is a continuous evolving process, given its intensity in the Financial Capital of India. Your Company shall continue to monitor all material changes to future conditions arising due to the pandemic.
32. The Company is primarily engaged in the Finance & Investment activities and accordingly there is no separate reportable segment, as per the Ind AS 108 "Operating Segments".
33. The Company will recognize the deferred tax assets, if any, in future considering the prudence aspect.
34. The following disclosure is required pursuant to RBI circular dated 13.03.2020 - Circular No.RBI/2019-20/170 DOR/(NBFC).CC.PD.No.109/22.10.106/2019-2020

Amount (in Rs.)

Loss Allowances (Provisions) as required under Ind AS 109							
Year	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Opening Impairment Amount	Impairment Reserve to be created
	Performing Assets						
2019-20	Standard	22,85,59,938/-	2,28,560/-	22,83,31,378/-	5,71,400/-	5,22,850/-	(1,80,010)/-
2018-19	Standard	34,88,52,480/-	3,49,284/-	34,85,03,196/-	8,72,134/-	9,56,694/-	(4,33,844)/-
2017-18	Standard	63,78,52,834/-	6,37,938/-	63,72,14,896/-	15,94,632/-	-	9,56,694/-

35. Disclosure pursuant to RBI notification on "COVID-19 Regulatory Package – Asset Classification and Provisioning" dated 17th April 2020.

Particulars	Amount (In Rs.)
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	Nil
(ii) Respective amount where asset classification benefits is extended	Nil
(iii) Provisions made during the Q4 FY2020 as per RBI circular dated 17 th April 2020 Norms	Nil
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN: L17110MH1985PLC035204

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

36. Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation. As per our report of even date attached

For D A T A & CO
Chartered Accountants

AJAY DAGA
PARTNER
M. No.: 44162

G.M. Loyalka
Director
DIN: 00299416

V.K.Seetharamaiya
Managing Director
DIN: 08216198

Place: Mumbai
Dated:31.07.2020
UDIN: 2044162AAAAOR8859

Disha Jain
Company Secretary

R.S. Jalan
Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN – L17110MH1985PLC035204

Regd. Office : 29, Bank Street, First Floor, Fort, Mumbai 400001

Website : www.kajalsynthetics.in email : kajalsyntheticsandsilk@gmail.com -----

FORM NO. MGT.12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name(s) of Member(s) (in Block / Capital Letters)	
Registered Address	
DP ID/Client ID or Folio	
No. of Equity Shares held	

I/We hereby exercise my / our vote in respect of the following resolution as set out in the Notice convening 32nd Annual General Meeting of the Members of the Company held on Tuesday, 29th September, 2020 at 4.30 pm at 29, Bank Street, First Floor, Fort, Mumbai 400001 which is proposed to be placed before members at the aforesaid AGM, by according my / our assent and / or dissent to the Said Resolution in the following manner :

Resolution No. and Nature of Resolution	Resolution	No. of Equity Shares Held	I/We assent To the Resolution (for)	I/We assent To the Resolution (Against)
1	Adoption of Standalone and Consolidated Audited Annual Account for the year ended 31 st March, 2020			
2	Re-appointment of Mr. G.M. Loyalka (00299416) as Director, liable to retire by rotation			
3	Re-appointment of Shri Giriraj Maheswari (DIN-00796252) Non-Executive Independent Director for second term of 5 year (ie. Upto 30.09.2025)			
4	Re-appointment of Smt. Rajshree Tapuriah (DIN-01655859), Non-Executive Independent Director for second term of 5 year (ie. Upto 30.09.2025)			
5	Re-appointment of Mr. Seetha Ramaiya K. Vellore (08216198) as Managing Director for further terms of Three years (ie upto 30.09.2023)			

*Please put tick mark () in appropriate column against the resolution indicated above. In case the Shareholder / Proxy, wish his / her vote to be used differently, he / she should indicate the number of shares under the columns "For" and / or "Against"

Place : Mumbai

Date : 5th September, 2020

Signature of Shareholder / Proxy

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L17110MH1985PLC035204

Name of the Company: KAJAL SYNTHETICS AND SILK MILLS LIMITED

Registered office: 29, Bank Street, First Floor, Fort, Mumbai 400 001

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

I/ We being the member of Kajal Synthetics and Silk Mills Limited hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 32nd Annual General Meeting of members of the Company, to be held on Wednesday, 30th September, 2020 at 4.30 pm registered office of the Company at 29, Bank Street, First Floor, Fort, Mumbai 400001, and at any adjournment thereof in respect of such resolutions mentioned in the Notice convening 32nd Annual General Meeting

Signed this day of September, 2020

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the 32nd Annual General Meeting

Affix
Revenue
Stamp