Flora Textiles Limited

GSTIN : 33AAACF4312P1ZQ
CIN No. : L17111TZ1993PLC004290
Registered Office
'23, Bharathi Park Road,
Coimbatore - 641 043.
Phone : 91 (422) 2447395
Email : floratex1@gmail.com

07.09.2020

Listing Department,
BSE Ltd,
Dalal Street,
Mumbai - 400001
Scrip Code: - 530705

Dear Sirs,

Sub: Submission of Annual Report for the year 2019-20

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, enclosed herewith is the Annual Report of the Company along with the Notice of AGM for the year 2019-20.

The said documents are also uploaded on the website of the Company viz.www.floratextiles.in

Kindly take the above on record.

Thanking you
Yours truly
Kirtishree Agarwal

Kirtishree Agarwal
Company Secretary

FLORA TEXTILES LIMITED

COIMBATORE - 641 043.
PH : 0422 2447395

TWENTY SEVENTH ANNUAL REPORT

2019-2020

BOARD OF DIRECTORS	:	Smt. Nidhi Gupta Managing Director (DIN01825531) Sri.Indrachand Prajapathi, Director (DIN 07655675) Sri.Kanaram, Director (DIN 05332461) Sri. R. Ravindra Kumar, Director (DIN 01470047) Sri.R Hemchand Gupta, Director (DIN 08270656)
CHIEF FINANCIAL OFFICER	:	Sri. Hemant Kumar Gupta
COMPANY SECRETARY		Ms Kirtishree Agarwal
REGISTERED OFFICE	:	No. 23, Bharathi Park Road, Coimbatore -641 043, Tamilnadu CIN:L17111TZ1993PLC004290
MILL PREMISES	:	S.F. No. 498 - A/C Mopparipalayam Village Kaduvettipalayam Post Karumathampatti - Annur Road Coimbatore - 641659.Tamilnadu. Email: floratex1@gmail.com www.floratextiles.in
STATUTORY AUDITORS	:	M/s. T.V.Subramanian and Associates, Chartered Accountants
REGISTRAR & TRANSFER AGENTS:		KFIN TECHNOLOGIES PRIVATE LIMITED Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda,Serilingampally, Hyderabad, Rangareddi – 500032

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DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the 27th financial statements together with audited balance sheet, profit and loss account and cash flow statement of the Company, for the year ended 31st March 2020.

Company Performance:

[In Lakhs]

Particulars	31.03.2020	31.03.2019
Revenue from Operation	34.03	27.6
Other Income	1.72	9.83
Total revenue from operation	35.75	37.43
Gross Profit/(loss)before interest and Depreciation	7.25	1.27
Less : Interest	51.16	48.70
Profit before Depreciation	-43.91	-47.43
Less: Depreciation	4.50	4.18
Net Profit/ loss for the Year	-48.41	-51.61
Income Tax for earlier years	3.13	-
Profit / Loss for the yeare	-51.54	-51.61
Opening balance – Loss' brought forward	-1840.39	-1788.78
Closing Balance of Reserves A/c.	-1891.94	-1840.39

Review of Operations:

During the year the business had a revenue of Rs.35.75 Lakhs (PY:Rs.37.43) which includes other income. The profit after tax was at [Rs.51.54 Lakhs] (PY: -Rs. 51.61].

Dividend:

Due to the continuous loss, the board of directors have not declared any dividend for the year ended 31st March 2020

Shares [As per the Companies (Share Capital and Debentures) Rules, 2014

a) **Equity shares with differential rights:** The Company has not issued any equity share with differential rights during the period under review.
b) **Buy Back of Securities:** The Company has not bought back any of its securities during the period under review.
c) **Sweat Equity:** The Company has not issued any Sweat Equity Shares during the period under review.
d) **Bonus Shares:** No Bonus Shares were issued during the period under review.
e) **Employees Stock Option Plan:** The Company has not provided any Stock Option Scheme to the employees.

Reserves:

During the financial year, the company has not transferred any amount to reserve account.

Transfer of unclaimed Divided to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last years.

Directors

Ms. Nidhi Gupta will retire by rotation at the ensuing Annual General Meeting under Section 152 of the Companies Act, 2013 and being eligible, she offers herself for re-appointment.

Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

Key managerial personnel:

Ms Nidhi Gupta, Managing Director, Mr Hemant Kumar Gupta, CFO and Ms Kirtishree Agarwal Company Secretary are the key managerial personal as per Section 203 of the Companies Act, 2013. A resolution seeking shareholders approval for her re-appointment forms part of this notice.

Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

Internal control system and their adequacy

The Company has an Internal Control System, Commensurate with its size, scale and complexity of its operations. Audit Committee reviews internal audit reports and oversees the internal control system of the Company.

Human resources

The HR strategy and initiatives of your Company are designed to effectively partner the business in the achievement of its ambitious growth plans and to build a strong leadership pipeline for the present and several years into the future.

Status of the company under SICA:

BIFR in its meeting held on 27/09/2012 has approved Modified Draft Rehabilitation Scheme. The board has taken necessary steps to implement the above said scheme.

Meetings

A Calendar of Meetings is prepared and circulated in advance to the Directors. The details of which are given in the Corporate Governance Report.

Details of Policy Developed and Implemented by the Company on its Corporate Social Responsibility Initiatives

The company is not been covered under Section 135 of the Companies Act, 2013. Hence this provision of Section 135 is not applicable.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

Declaration of Independent Directors

All the Independent Directors of the Company have furnished necessary declaration in terms of Section 149(6) of the Act affirming that they meet the criteria of independence as stipulated under the Act. In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the Management.

Details of Significant and material orders passed by the Regulators, Courts and Tribunals

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

a) the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit and loss of the company for that period;

c) the directors had 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;

d) the directors had prepared the annual accounts on a going concern basis;

e) That proper internal financial control was followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) 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.

Remuneration policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration.

Nomination and Remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

Related party transactions

All related party transactions that were entered during the year under review were on an arm's length basis and were in ordinary course of business. All related party transactions are placed before the Audit Committee for approval. There are no materially significant related party transactions during the year which may have a potential conflict with the interest of the company at large. Necessary disclosures as required under Accounting Standard (AS 18) have been made in the notes to the Financial Statements.

Annual performance evaluation

In line with the criteria evolved by the Nomination and Remuneration Committee, the performance of all Directors, Committees, Chairman etc., have been valuated pursuant to the provisions of the Act, Listing Agreement and SEBI(LODR)Regulations, 2015

As part of the performance evaluation process, an evaluation questionnaire based on the criteria as finalized in consultation with the Directors together with supporting documents was circulated to all the Board members in advance. The Directors evaluated themselves, the Chairman, other Board Members, the Board as well as functioning of the Committees viz., Audit, Nomination & Remuneration, Risk Management, Stakeholders Relationship Committees on the basis of well-defined evaluation parameters as set out in the questionnaire. The duly evaluated questionnaire was received back from the Chairman and all the other Directors.

The Board reviewed the process of evaluation of the Board of Directors and its Committees including Chairman and the Individual Directors. The independent directors of the Company have also duly convened a separate meeting during the year for this purpose.

Vigil mechanism/ whistle blower policy

Pursuant to the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism (Whistle Blower Policy) for the employees and Directors as an avenue to voice concerns

relating to unethical behavior actual or suspected fraud or violation of the Company's code of conduct.

The Ombudsperson appointed by the Board deals with the complaints received and ensures appropriate action. The mechanism also provides adequate safeguards against victimisation of persons using the mechanism and provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee was denied access to the Audit Committee.

Particulars of employees

There are no employees drawing salaries in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

The particulars required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies(Accounts) Rules, 2014 for the period ended on March 31ST, 2020 are as under:

A. Conservation of Energy: The company has no activity relating to conservation of energy or technology absorption, since it's a service organization. Hence Conservation of energy and technology absorption does not apply to this company. However, adequate measures for conservation have been taken to reduce energy consumption.
B. The Company has not absorbed any technology
C. There was no foreign exchange earnings
D. There was no outgo of foreign exchange earnings

Policy on sexual harassment:

Suitable policy has been made and implemented by the company to prevent sexual harassment at workplace. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees including contractual, permanent, temporary, trainees are covered under this policy. During the financial period ended 31st March, 2020, the Company has not received any complaints pertaining to sexual harassment.

Auditors

The Members appointed M/s TV Subramanian and Associates (FRN No. 007433S) as the Statutory Auditors of the Company for a periodof 5 years from the conclusion of 24th AGM (2017) till the conclusion of 29th AGM (2022).

The Company has received confirmation from the firm regarding their consent and eligibility under sections 139 and 141 of the Companies Act,2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure A and is attached to this Report.

Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors / secretarial auditor in their reports

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

Mr A C Saravan, Practicing Company Secretary was appointed to undertake the Secretarial Audit of the Company. The Report of Secretarial Audit is annexed herewith as Annexure B.

Reply To Qualification Given By The Secretarial Auditor :

1) The Company is in the process of allotment of unsecured loan including share application money received as per BIFR order.

2) Due to technical issue in the MCA website, the company is unable to file form INC-22A and regularization of appointment of Mr INDARCHAND PRAJAPATHI [DIN 07655675] and Mr R HEMCHANDGUPTA [DIN 08270656]. The board has raised the compliant before MCA help desk and Registrar of Companies, Coimbatore

3) For other non compliances, the Board has taken all necessary steps to comply the same in future period.

Corporate governance

Your Company is committed to maintaining high standards of Corporate Governance. A report on Corporate Governance, along with a certificate from the Statutory Auditors on compliance with Corporate Governance norms forms a part of this report.

The Corporate Governance Report of your company as on 31.3.2020 is enclosed for your perusal as Annexure – C.

Material changes and commitments

There are no material changes and commitments in the business operations of the Company from the financial year ended 31stMarch, 2020 to the date of signing of the Director's Report.

Acknowledgement

The Board wishes to place on record of their appreciation for the good work done by the employees, bankers and share holders of the company.

By Order of the Board

INDARCHAND PRAJAPATHI
Chairman
[DIN 07655675]

Date: 30.06.2020
Place: Coimbatore

MD & CFO CERTIFICATION

To The Board of Directors Flora Textiles Limited

In regard to annual accounts of the company for the financial year ended 31st March 2020 we hereby certify to the best of our knowledge and belief that:

a. We have reviewed the financial statements and the cash flow statement of the company for the year 2019-20.

1. These financial statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.

2. These financial statements together present a true and fair view of the company's affairs and are in compliance with existing account standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal control if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have disclosed to the Auditor and the Audit Committee.

1. Significant changes in internal control over financial reporting during the year.
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's Internal control system over financial reporting.

Hemant Kumar Gupta
Chief Financial Officer

Nidhi Gupta
Managing Director
(DIN 01825531)

Date: 30.06.2020
Place: Coimbatore

DECLARATION BY THE CEO UNDER REGULATION 34 (3) READ WITH PARA D OF SCHEDULE V OF SEBI (LODR) REGULATIONS 2015.

To the Members of Flora Textiles Limited

I, Nidhi Gupta, Managing Director of the Company to be best of my knowledge and belief, declare that all the members of the Board of Directors and Senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2020.

On Behalf of Board

Nidhi Gupta
Managing Director
(DIN 01825531)

Date: 30.06.2020
Place: Coimbatore

COMPLIANCE CERTIFICATION FROM THE AUDITORS OF THE COMPANY.

To
The members of Flora Textiles Limited

We have examined the compliance of conditions of Corporate Governance of M/s Flora Textiles Limited ('the Company'), for the year ended on31st March, 2020 as stipulated in regulation 17 to 27 and clauses [b] to [i] of Regulation 46[2] and paras C & D of Schedule V of SEBI (LODR)Regulations, 2015 for the year ended 31st March, 2020. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance ofthe conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied withthe conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

Place: Coimbatore
Date : 30.06.2020

For T.V.Subramanian and Associates,
CHARTERED ACCOUNTANTS
(FRN No. 007433S)

T.RATHINAVEL
PARTNER
(Membership no 025744)

T.V.SUBRAMANIAN AND ASSOCIATES
Chartered Accountants

Partners:
T.V.Subramanian, B.Sc, FCA
T.Rathinavel, B.Sc, FCA, DISA
S.Chidambaram, B.Com, FCA

13A, Co-operative Colony, K.K.Pudur
Coimbatore – 641 038; Ph: 0422-2447158
E-mail:tvsubramanian@hotmail.com
E-mail: rathinavelt@yahoo.co.in

Independent Auditor's Report

To the Members of M/s. Flora Textiles Limited

Report on the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) 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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For T.V.SUBRAMANIAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 007433S

(T.RATHINAVEL)
(PARTNER)
M.NO : 025744
(**UDIN: 20025744AAAACA1740)**

Place: Coimbatore
Date: 30.06.2020

T.V.SUBRAMANIAN AND ASSOCIATES
Chartered Accountants

Partners:
T.V.Subramanian, B.Sc, FCA
T.Rathinavel, B.Sc, FCA, DISA
S.Chidambaram, B.Com, FCA

13A, Co-operative Colony, K.K.Pudur
Coimbatore – 641 038; Ph: 0422-2447158
E-mail:tvsubramanian@hotmail.com
E-mail: rathinavelt@yahoo.co.in

Annexure A to the IndependentAuditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Flora Textiles Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 FLORA TEXTILES LIMITED ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the

design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For T.V.SUBRAMANIAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 007433S

(T.RATHINAVEL)
(PARTNER)
M.NO : 025744

Place: Coimbatore
Date: 30.06.2020

Annexure B to the Independent Auditors'Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Flora Textiles Limited of even date)

i. In respect of the Company's fixed assets:
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and no discrepancies were noticed at the time of verification.

iii. According to the information and explanations given to us, the Company has not granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of Clause 3(iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c. The company does not have any disputes in respect of Provident Fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, Goods and Service Tax and any other material statutory dues applicable to the company.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3(ix) of the Order is not applicable to the Company.

x. 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 fraud by the Company or on the Company by its officers or employees, noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a nidhi company and hence, reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting

standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence, reporting under Clause 3(xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For T.V.SUBRAMANIAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 007433S

(T.RATHINAVEL)
(PARTNER)
M.NO : 025744

Place: Coimbatore
Date: 30.06.2020

Annexure A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHERDETAILS:

1	CIN	L17111TZ1993PLC004290
2	Registration Date	10.03.1993
3	Name of the Company	FLORA TEXTILES LIMITED
4	Category/Sub-category of the Company	Company Limited by shares / Indian Non Govt. Company
5	Address of the Registered office & contact details	23, Bharathi Park Road,Coimbatore – 641043 Contact: 0422 2447395 E mail: floratex1@gmail.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFIN TECHNOLOGIES PRIVATE LIMITED Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032 Email: mohammed.shanoor@kfintech.com Ph : 040-67161606

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)

S.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the
1	Renting of immovable properties	68100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

The company does not have any holding, subsidiary and associate companies.

I. A) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year [01.04.2019]				No. of Shares held at the end of the financial period [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	3331800	-	3331800	55.53	3331800	-	3331800	55.53	0.00
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other [Foreign National]	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	3331800	0	3331800	55.53	3331800	0	3331800	55.53	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-	-
TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	255000	45000	300000	5.00	255000	45000	300000	5.00	0.00
b) Banks / FI	180000	-	180000	3.00	180000	-	180000	3.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) V Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) F V Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**435000**	**45000**	**480000**	**8.00**	**435000**	**45000**	**480000**	**8.00**	**0.00**

2. Non-Institutions	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
a) Bodies Corp.									
i) Indian	31800	323200	355000	5.92	329800	23100	352900	5.88	-0.04
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	188000	1027100	1215100	20.25	155900	1023500	1179400	19.66	-0.60
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	37700	115400	153100	2.55	118900	72000	190900	3.18	0.63
c) Others (specify)									
Non Resident Indians	-	463500	463500	7.73	-	463500	463500	7.73	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1500	-	1500	0.03	1500	-	1500	0.03	0.00
Trusts	-	-	-	-	-	-	-	-	-
Hindu Undivided Familes	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**259000**	**1929200**	**2188200**	**36.47**	**606100**	**1582100**	**2188200**	**36.47**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**694000**	**1974200**	**2668200**	**44.47**	**1041100**	**1627100**	**2668200**	**44.47**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**4025800**	**1974200**	**6000000**	**100.00**	**4372900**	**1627100**	**6000000**	**100.00**	**0.00**

B. SHARE HOLDING OF PROMOTERS

SN	Shareholder's Name	No. of Shares held at the beginning of the year [01.04.2019]			Shareholding at the end of the financial period 31.03.2020			% change in shareholding during the period
		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	Mr Ajit Kumar Gupta*	818996	13.65	-	818996	13.65	-	NIL
2	Mr Nidhi Gupta	817401	13.62	-	817401	13.62	-	NIL
3	Mr Aditya Gupta	816301	13.61	-	816301	13.61	-	NIL
4	Mrs Indra Devi Gupta	811102	13.51	-	811102	13.51	-	NIL
5	Mr Virendra Kumar Gupta	30200	0.50	-	30200	0.50	-	NIL
6	Mr Devendra Kumar Gupta	37800	0.63	-	37800	0.63	-	NIL

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

SN	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of	No. of Shares	% of total Shares of
1	Mr Ajit Kumar Gupta*	818996	13.65	818996	13.65
2	Mr Nidhi Gupta	817401	13.62	817401	13.62
3	Mr Aditya Gupta	816301	13.61	816301	13.61
4	Mrs Indra Devi Gupta	811102	13.51	811102	13.51
5	Mr Virendra Kumar upta	30200	0.50	30200	0.50
6	Mr Devendra Kumar Gupta	37800	0.63	37800	0.63

* MrAjit Kumar Gupta has demised on 31.12.2013. His shares are yet to be transmitted.

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

SN	Particulars	No. of Shares held at the beginning of the year [01.04.2019]		Cumulative Shareholding during the financial period	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Taurus Asset Management Co Ltd., At the end of the year 31.03.2020	300000 N.A	5.00 N.A	300000 300000	5.00 5.00
2	North American Investment At the end of the year 31.03.2020	200000 N.A	3.33 N.A	200000 200000	3.33 3.33
3	JM Financial Mutual Fund –Equity At the end of the year 31.03.2020	195000 N.A	3.25 N.A	195000 195000	3.25 3.25
4	ICICI Bank Ltd [bank of rajasthan] At the end of the year 31.03.2020	180000 N.A	3.00 N.A	180000 180000	3.00 3.00
5	M/s. Satellite Investments Ltd At the end of the year 31.03.2020	100000 N.A	1.66 N.A	100000 100000	1.66 1.66
6	JM Mutual Fund –Hybrid Fund At the end of the year 31.03.2020	60000 N.A	1.00 N.A	60000 60000	1.00 1.00
7	JM Trustee Co Ltd At the end of the year 31.03.2020	45000 N.A	0.75 N.A	45000 45000	0.75 0.75
8	Mr. Bhagwan R Daswani At the end of the year 31.03.2020	43400 N.A	0.72 N.A	43400 43400	0.72 0.72
9	Mr. Hemant Kumar Gupta At the end of the year 31.03.2020	37700 N.A	0.63 N.A	37700 37700	0.63 0.63
10	Mrs Sarika Chaudhary t the end of the year 31.03.2020	30000 N.A	0.50 N.A	30000 30000	0.50 0.50

E. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.IndrachandPrajapathi	-	-	-	-
2	Mr.RHemchand Gupta	-	-	-	-
3	Mr. Ravindrakumar	-	-	-	-
4	Mrs. Nidhi Gupta	817401	13.62	817401	13.62
5	Mr. Hemant Kumar Gupta	37700	0.628	37700	0.628
6	Mr.Kanaram	-	-	-	-
7	Ms Kirtishree Agarwal	-	-	-	-

II. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount (Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	110761535	-	110761535
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	110761535	-	110761535
Change in Indebtedness during the financial year				
* Addition	-	5361063	-	5361063
* Reduction	-		-	
Net Change	-	5361063	-	5361063
Indebtedness at the end of the financial year			-	
i) Principal Amount	-	116122598	-	116122598
ii) Interest due but not paid	-	-	-	-

VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of KMP		Total Amount
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others – Remuneration	-	-	-	-
-	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	NA			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		WTD	CS	CFO	Total
1	Gross salary	-	Kirtishree Agarwal	Hemant Kumar Gupta	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		135000	420000	555000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	135000	420000	555000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board

INDARCHAND PRAJAPATHI
Chairman
[DIN 07655675]

Date: 30.06.2020
Place: Coimbatore

ANNEXURE B

FORM MR-3
For the financial year ended 31st March, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Flora Textiles Limited,
CIN L17111TZ1993PLC004290
Coimbatore

I have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by Flora Textiles Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and 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 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions as may be applicable to the Company of:

(i)The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - NA*

(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) Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 2015.

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -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.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; -

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -Not applicable to the company during the audit period

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not applicable to the company during the audit period and

i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

*NA – Not Applicable to the company during the year ended 31st March, 2020

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 Bombay stock exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

A. Allotment of unsecured loan including share application money as equity capital received from promoters as per modified scheme of BIFR.
B. It is observed that Mr Ajit Kumar Gupta, promoter of the company has demised on 31.12.2013 and his shares are yet to be transmitted.
C. The company has not maintained Structured Digital Database for Unpublished Price Sensitive Information [UPSI] Communication pursuant to Securities And Exchange Board Of India (Prohibition Of Insider Trading) (Amendment) Regulations, 2018.
D. The company has not filed Form INC-22A [Active] and
E. The company has not filed DIR-12 for regularization of appointment as directors of Mr INDARCHAND PRAJAPATHI [DIN 07655675] and Mr R HEMCHANDGUPTA [DIN 08270656] in the AGM.

I further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and the minutes the decisions of the meetings of the board / committee of the company where carried out with the consent of all the directors / committee members and there were no dissenting members as per the minutes. Further in the minutes of the general meeting, the particulars of the members who voted against the resolutions have been properly recorded.

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.

Name of Company Secretary in practice: A C SARAVAN
Coimbatore FCS No. 8942
30.06.2020 CP No.10010
[UDIN F008942B000408000]

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE I' and forms an integral part of this report.

'ANNEXURE I'

The Members,
Flora Textiles Limited
CIN L17111TZ1993PLC004290
Coimbatore

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, Regulations, standards is the responsibility of management. My 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.

Name of Company Secretary in practice: A C SARAVAN
Coimbatore FCS No. 8942
30.06.2020 CP No.10010
[UDIN F008942B000408000]

ANNEXURE C

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

Company's Philosophy of Corporate Governance
Your company believes that the fundamental objective of Corporate Governance is to enhance the interests of all stakeholders.

The Company is in compliance with requirements of the guidelines on corporate governance stipulated under the SEBI (LODR), Regulations, 2015. The status with regard to the various aspects of the corporate governance is given below.

Your company also believes that good corporate governance practices help to enhance performance and valuation of the company.

The company has laid down a code of conduct for all its Board Members and senior management personnel for avoidance of conflicts of interests.

Company has received the necessary declaration affirming compliance with the code of conduct for the year 2019-20.

Board of Directors

The Board of Directors consists of 5 Directors of whom 3 are Non Executive Directors. None of the directors are related to each other.

All the independent directors have given a declaration that they meet the criteria of Independence as laid down under Section 149 [6] of the Companies Act, 2013 and listing regulations.

Attendance of each Directors at the Board Meeting and the Last Annual General Meeting (AGM) Details of Board Meeting held during the period from 01.04.2019 to 31.03.2020 Board of directors duly met 4 times during the year on30.05.2019, 31.07.2019, 31.10.2019 and 31.03.2020

Name of the Directors	DIN	Category of directorship	No.of BM attended and Attendance at the last AGM	
			BM	AGM
NIDHI GUPTA	01825531	Executive	4 [4]	Yes
RAVINDRAKUMAR	01470047	Executive	4 [4]	Yes
KANA RAM	05332461	Non Executive & Independent	4 [4]	No
INDARCHAND PRAJAPATHI	07655675	Non Executive & Independent	4 [4]	Yes
R HEMCHANDGUPTA	08270656	Non Executive	4 [4]	Yes

Audit Committee

The role of audit committee, in brief, is to review financial statements, internal controls, accounting polices, internal audit reports, related party transactions, risk management systems and functioning of the Whistle Blower Mechanism. The powers and functions of the Audit Committee are as per Sec.177 of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.The terms of reference are also as required by SEBI under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations before taking the same tothe aboard. The statutory auditors were present at all audit committee meetings.

The internal audit plans are drawn up in consultation with Chief Financial Officer and Audit Committee.

The committee reviews these observations of the internal auditor periodically.

The Audit Committee as of 31st March 2020 comprises of Mr Indarchand Prajapathi, Mr Kanaram, and Mr R Hemchand Gupta.

Mr. Indrachand Prajapathi is the chairman of the audit committee. All the members of the committee have excellent financial and accounting knowledge.

The Audit Committee met 4 times during the year. Attendance of each Director at Audit Committee Meetings

Attendance of each Director at Audit Committee Meetings

Name of the Director	Number of audit committee meetings attended
Mr Indarchand Prajapathi, Chairman	4[4]
Mr.Kanaram, Member	4[4]
Mr R Hemchand gutpa, Member	4[4]

Nomination and Remuneration Committee:

The role of the Nomination and remuneration committee in accordance with the requirement of Section 178 of the Companies Act, 2013 and the revised Corporate Governance norms. The nomination and remuneration committee met two times during the financial year 2019-20. The terms of reference are as per Sec. 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Brief description of terms of reference is for:
1. appointment of the directors, and key managerial personnel of the Company; and
2. Fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.
3. Devise board diversity policy
Composition of committee and attendance of members

Name of the Director	Number of audit committee meetings attended
MrIndarchand Prajapathi, Member	4[4]
Mr.Kanaram, Chairman	4[4]
Mr R Hemchandgupa, Member	4[4]

Stake holder Relationship Committee:

The stakeholder Relationship Committee was constituted to specifically focus on investor service levels. This committee has prescribed norms for attending to the investors' service and the committee periodically reviews the service standard achieved by the company and its Registrar and Transfer Agent as against the prescribed norms. The terms of reference of the Stakeholders Relationship Committee is as per Sec. 178 of the Companies Act, 2013 and Regulation 20read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Share transfer requests are processed within 15 days from the date of receipt. M/s. KFIN Technologies Private Limited., Hyderabad is the company's share transfer agent.

Composition of committee and attendance of members

Name of the Director	Number of audit committee meetings attended
MrIndarchand Prajapathi, Chairman	4[4]
Mr.Ravindrakumar, Member	4[4]
Mr R Hemchandgupa, Member	4[4]

RISK MANAGEMENT

The scope of Risk Management Committee is to specifically identify/monitor key risks of the Company and evaluate the management of such risks for effective mitigation. The Committee provides periodical updates to the Board and provides support in the discharge of the Board's overall responsibility in overseeing the risk management process.

The Composition of the Committee and attendance of the directors as follows:

Name of the Director	Number of audit committee meetings attended
Mr Kanaram, Chairman	1[1]
Mrs.Nidhi Gupta, Member	1[1]

Independent Directors Meeting

During the year, the Independent Directors met on 31st January, 2020:

Review the performance of Non-Independent Directors and the Board as a whole.
Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the directors.

Annual General Meeting
(i) Location and time of Last three Annual general Meetings

Financial Year Ending	Date	Time	Venue
31.03.2017	20.09.2017	4.00 PM	Rajasthani Sangh, Coimbatore
31.03.2018	24.09.2018	4.00 PM	Rajasthani Sangh, Coimbatore
31.03.2019	29.08.2019	4.00 PM	Rajasthani Sangh, Coimbatore

[ii] Special Resolution passed in the previous three Annual General Meetings:

Financial Year Ending	Date	Special Resolution[s] passed
31.03.2017	20.09.2017	No
31.03.2018	24.09.2018	No
31.03.2019	29.08.2019	Yes Reappointment of Mr Kanaram as an independent director

Means of Communication

1. Half yearly report sent to each household of Share holders. No
2. Quarterly, Half yearly unaudited financial results normally published in Makkal Kural and Trinity Mirror
3. Any website where results are displayed www.floratextiles.in
4. Presentation made to Institutional Investor or to the Analysts None

Online Filing

Periodical compliance filings like shareholding pattern, announcements, corporate actions etc. have been filed electronically on BSE –Corporate Compliance & Listing Centre.

Certificate

A Certificate has been received from Mr. A.C.Saravan, Practising Company Secretary, Coimbatore that none of the Directors of the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such statutory authority.

SCORES (SEBI Complaints Redressal System):

The Investor Complaints are processed in a centralized web based complaints redressal system on www.scores.gov.in, a website maintained by S EBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company has not received any complaints during the year.

12. General Share Holders Information:

Book Closure Date	24th September 2020 to 30TH September 2020
Dividend payment date	NA
Listing on Stock Exchange	Bombay Stock Exchange
Stock Code	Scrip code & Exchange trading : 530705 FLORATX symbol in BSE
	ISIN Number in NSDL for : INE161F01011 equity shares
Registrar and Transfer Agents	KFin Technologies Private Limited Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032
Share Transfer System	The Company' shares can be dematted in NSDL and KFin Technologies Private Limited. are share transfer agents. Share transfers in physical form are returned within 21 days from date of receipt subject to the documents being valid and completed in all respects
Plant Location	S.F.No.498 – A/c, Moopparipalayam Village Kaduvettipalyam (Post) Karumathampatti – Annur Road Palladam Taluk Coimbatore – 641 659 Tamil Nadu

Particulars of Compliance officer and Address for Correspondence	Kirtishree Agarwal, Company Secretary 23 Bharathi Park road, Coimbatore-641043. Tamil Nadu Ph: 0422 2447395 Email :floratex1@gmail.com
Website	www.floratextiles.in

By Order of the Board

INDARCHAND PRAJAPATHI
Chairman
[DIN 07655675]

Date: 30.06.2020
Place: Coimbatore

Balance Sheet as at March 31, 2020

Assets	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current Assets				
Property, Plant and Equipment	3	7,836,891.48	7,106,828.76	7,525,075.24
Current Assets				
Inventories	4	0.00	0.00	0.00
Financial Assets				
Investments	5	5,276,325.74	0.00	2,412,708.57
Trade receivables	6	253,320.00	7,385,916.90	8,596,055.54
Cash and cash equivalents	7	376,685.66	321,750.04	343,719.16
Loans	8	0.00	0.00	1,102,328.50
Other current assets	9	3,304,595.00	2,025,627.64	1,784,210.98
Total Assets		**17,047,817.88**	**16,840,123.34**	**21,764,097.99**

Equity and Liabilities	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Equity				
Equity Share capital	10	60,000,000.00	60,000,000.00	60,000,000.00
Other Equity		(162,194,026.44)	(157,039,689.16)	(151,878,785.91)
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	11	116,122,598.00	110,761,535.00	109,687,531.40
Current Liabilities				
Financial Liabilities				
Trade payables	12	819,246.32	775,984.00	1,613,059.00
Other current liabilities	13	2,300,000.00	2,342,293.50	2,342,293.50
Total Equity and Liabilities (1+2+3)		**17,047,817.88**	**16,840,123.34**	**21,764,097.99**

Subject to our reports of even date attached

For T V Subramaniam and Associates [FRN No.007433S]
Chartered Accountants
T. RATHINAVEL
[Membership No.025744]
Partner
Place: Coimbatore
Date: 30.06.2020

ON BEHALF OF THE BOARD

Nidhi Gupta	Indarchand Prajapathi	Hemant Kumar Gupta	Kirtishree Agarwal
Managing Director	Director	CFO	Company Secretary
[DIN 01825531]	[DIN 07655675]		

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

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE			
Revenue from operations	14	3,403,240.00	2,760,000.00
Other Income	15	171,575.68	983,185.33
Total Revenue (I + II)		**3,574,815.68**	**3,743,185.33**
EXPENSES			
Cost of materials consumed	16	0.00	0.00
Changes in stock of finished goods, work-in-progress and stock-in-trade	17	0.00	0.00
Employee benefit expense	18	1,583,409.00	1,436,750.00
Finance costs	19	5,115,885.00	4,870,246.60
Depreciation and amortisation expense	3	450,284.99	418,246.48
Other expenses	20	1,266,691.33	2,178,845.50
Total Expenses (V)		**8,416,270.32**	**8,904,088.58**
Profit/(loss) before tax (VII - VIII)		**(4,841,454.64)**	**(5,160,903.25)**
Tax Expense			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
Tax in respect of earlier years		312,882.64	0.00
Total tax expense		**312,882.64**	**0.00**
Profit/(loss) for the period (XI + XIV)		**(5,154,337.28)**	**(5,160,903.25)**
Other comprehensive income		0.00	0.00
Items that will not be recycled to profit or loss		0.00	0.00
(a) Changes in revaluation surplus		0.00	0.00
(b) Remeasurements of the defined benefit liabilities / (asset)		0.00	0.00
(c) Equity instruments through other comprehensive income		0.00	0.00
(d) Fair value changes relating to own credit risk		0.00	0.00
(e) Others (specify nature)		0.00	0.00
Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
Items that may be reclassified to profit or loss		0.00	0.00
(a) Exchange differences in translating the financial statements of foreign operations		0.00	0.00
(b) Debt instruments through other comprehensive income		0.00	0.00
(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		0.00	0.00
(d) Share of other comprehensive income of equity accounted investees		0.00	0.00
(e) Others (specify nature)		0.00	0.00
Income tax on items that may be reclassified to profit or loss		0.00	0.00
Total comprehensive income for the period (XV + XVIII)		**(5,154,337.28)**	**(5,160,903.25)**

Total comprehensive income for the period attributable to:			
Owners of the Company		**0.00**	**0.00**
Non controlling interests		**0.00**	**0.00**
Earnings per equity share:			
Basic		**-0.86**	**-0.86**
Diluted		**-0.86**	**-0.86**

Subject to our reports of even date attached

For T V Subramaniam and Associates [FRN No.007433S]
Chartered Accountants
T. RATHINAVEL
[Membership No.025744]
Partner
Place: Coimbatore
Date: 30.06.2020

ON BEHALF OF THE BOARD

Nidhi Gupta	Indarchand Prajapathi	Hemant Kumar Gupta	Kirtishree Agarwal
Managing Director	Director	CFO	Company Secretary
[DIN 01825531]	[DIN 07655675]		

Cash Flow Statement For The Year Ended 31.03.2020

PARTICULARS	Current Year 31-Mar-2020		Previous Year 31-Mar-2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Tax and Extra Ordinary Items		- 48 41 454.64		- 51 60 903.25
Adjustments for :				
- Depreciation	4 50 284.99		4 18 246.48	
- Interest Received	- 1 64 688.10		- 95 135.00	
- Interest Paid	51 15 885.00		48 70 246.60	
- Profit on sale of assets	0.00		0.00	
- Miscellaneous Income	- 6 887.58	53 94 594.31	- 8 88 050.33	43 05 307.75
Operating Profit before Working Capital Changes:		5 53 139.67		- 8 55 595.50
Adjustements for :				
- Trade and Other Receivables	71 32 596.90		12 10 138.64	
- Inventories	0.00		0.00	
- Loans and Advances	- 12 78 967.36		8 60 911.84	
- Current Liabilities etc	968.82	58 54 598.36	- 8 37 075.00	12 33 975.48
Cash Generated from Operations before Extraordinary Items		64 07 738.03		3 78 379.98
- Interest Paid		- 51 15 885.00		- 48 70 246.60
- Direct Taxes				
- Income Tax at Earlier Year		- 3 12 882.64		
NET CASH FROM OPERATING ACTIVITIES Total A		9 78 970.39		- 44 91 866.62
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	- 11 80 347.71		0.00	
Investments	- 52 76 325.74		24 12 708.57	
Interest Received & Other Income	1 71 575.68		9 83 185.33	
Sale of fixed Assets	0.00		0.00	
NET CASH USED IN INVESTING ACTIVITIES Total B		- 62 85 097.77		33 95 893.90
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Bank Borrowing				
Proceeds from others Borrowing	53 61 063.00		10 74 003.60	
NET CASH USED IN FINANCING ACTIVITIES Total C		53 61 063.00		10 74 003.60
NET INCREASE IN CASH OR CASH EQUIVALENTS		54 935.62		- 21 969.12
Cash and Cash Equivalents [Opening Balance]		3 21 750.04		3 43 719.16
Cash and Cash Equivalents [Closing Balance]		3 76 685.66		3 21 750.04

Notes referred to above and attached hereto form an integral part of Balance Sheet

As per our report of even date

For T V Subramaniam and Associates [FRN No.007433S]
Chartered Accountants
T. RATHINAVEL
[Membership No.025744]
Partner
Place: Coimbatore
Date: 30.06.2020

ON BEHALF OF THE BOARD

Nidhi Gupta	Indarchand Prajapathi	Hemant Kumar Gupta	Kirtishree Agarwal
Managing Director	Director	CFO	Company Secretary
[DIN 01825531]	[DIN 07655675]		

Statement of Changes in Equity for the period ended March 31, 2020

		Reserves and Surplus		
Particulars	**Share application money pending allotment**	**General reserve**	**Retained earnings**	**Total**
Balance as at April 1, 2019	27,000,000.00	0.00	(178,878,785.91)	(151,878,785.91)
Loss for the year	0.00	0.00	(5,160,903.25)	(5,160,903.25)
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00
Total Comprehensive income for the year	0.00	0.00	(5,160,903.25)	(5,160,903.25)
Balance as at March 31, 2019	27,000,000.00	0.00	(184,039,689.16)	(157,039,689.16)
Loss for the year	0.00	0.00	(5,154,337.28)	(5,154,337.28)
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00
Total Comprehensive income for the year	0.00	0.00	(5,154,337.28)	(5,154,337.28)
Balance as at March 31, 2020	27,000,000.00	0.00	(189,194,026.44)	(162,194,026.44)

SIGNIFICANY ACCOUNTING POLICIES

Note	Particulars

1 Corporate Information

FLORA TEXTILES LIMITED is a public limited company incorporate in India under the provisions of the Companies Act, 1956. The company is engaged in the business of renting of its immovable properties.

2 Basis of Accounting and Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

2.2 Basis of Preparation and Presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on above basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share Based Payment, lease transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.3 Inventories

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling rice for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores & spares and traded goods, cost (net of CENVAT/VAT credits wherever applicable) is determined on a moving weighted average basis, and, in case of work-in-progress and finished goods, cost is determined on a First In First Out basis.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of the country in which the respective entities in the Company are incorporated. 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. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

2.5 Property, Plant And Equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of Cenvat /VAT credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write-off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful life considered for the assets are as under.

Category of Property Plant and Equipment	**No. of Years**
Building	35
Plant & Machinery	15
Motor Vehicles	10

Leasehold land/Improvements thereon are amortized over the primary period of lease. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The Company has applied Ind AS 16 Property, Plant and Equipment retrospectively to its PPE and has not availed deemed cost exemption as available under Ind AS 101 First-time Adoption of Indian Accounting Standards.

2.6 Intangible Assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/ completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.7 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances. Revenue from sale of goods is recognized when the following conditions are satisfied:

> the Company has transferred the significant risks and rewards of ownership of the goods to the buyer which generally coincides with the delivery of goods;
> the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold
> the amount of revenue can be measured reliably:
> it is probable that the economic benefits associated with the transaction will flow to the Company;
> the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services is recognised when it is probable that the economic benefits associated with the transactions will flow to the company and related services have been rendered.

2.8 Other Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.9 Employee Benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Foreign Currency Transactions and Translations

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

> exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

> exchange differences on transactions entered into in order to hedge certain foreign currency risks;

2.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, 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 in profit or loss in the period in which they are incurred.

2.12 Earnings Per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

2.13 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.14 Provisions and Contingencies

A provision is recognised when the Company has a present obligation (legal/constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

2.15 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (FVTPL) (except for investments that are designated as at fair value through profit or loss on initial recognition):

> the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

> the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for investments that are designated as at fair value through profit or loss on initial recognition):

> the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
> the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are subsequently measured at fair value.

Amortised Cost and Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the other income.
A financial asset is held for trading if:

> it has been acquired principally for the purpose of selling it in the near term; or
>on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
>it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the right to receive the dividends is established and 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.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading. Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL. A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the other income line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends 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.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financials guarantees not designated as at FVTPL. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months. If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 - Construction Contracts and Ind AS 18 - Revenue, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign Exchange gains and losses

The fair value of finanacial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in hedging relationship.

2.17 Financial Liabilities & Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if: it has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109 - Financial Instruments. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at: the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 18 - Revenue. For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the other income.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.18 First Time Adoption - Mandatory Exceptions & Optional Exemptions

Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required under Ind AS, not recognising items of assets and liabilities which are not permitted under Ind AS, by 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 the certain exception and certain optional exemptions availed by the Company as detailed below.

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Determining whether an arrangement contains a lease

The company has applied Appendix C of Ind AS 17 - Leases determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2.19 Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may effect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgments and estimates. All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent our interpretation as of the dates on which they were prepared. Important judgements and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Notes Forming Integral Part of the Accounts

Note 3 - Property Plant & Equipment as at March 31, 2020 **Amounts in Rs.**

Description of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2019	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	Depreciation/Amortisation expense for the year	Eliminated on Disposal of Assets	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property, Plant & Equipment - Owned unless otherwise stated										
Land	470,239.25	0.00	0.00	470,239.25	0.00	0.00	0.00	0.00	470,239.25	470,239.25
Buildings - Own Use	14,319,997.67	1,180,347.71	0.00	15,500,345.38	9,856,050.55	317,924.84	0.00	10,173,975.39	5,326,369.99	4,463,947.12
Plant & Equipment	100,493,372.50	0.00	0.00	100,493,372.50	98,425,905.80	129,106.21	0.00	98,555,012.01	1,938,360.49	2,067,466.70
Electrical Installations	33,208.30	0.00	0.00	33,208.30	30,208.20	0.00	0.00	30,208.20	3,000.10	3,000.10
Furniture & Fixtures	537,099.38	0.00	0.00	537,099.38	537,099.37	0.00	0.00	537,099.37	0.01	0.01
Office Equipments	777,434.00	0.00	0.00	777,434.00	728,434.31	0.00	0.00	728,434.31	48,999.69	48,999.69
Vehicles	428,391.00	0.00	0.00	428,391.00	375,215.11	3,253.94	0.00	378,469.05	49,921.95	53,175.89
Total	**117,059,742.10**	**1,180,347.71**	**0.00**	**118,240,089.81**	**109,952,913.34**	**450,284.99**	**0.00**	**110,403,198.33**	**7,836,891.48**	**7,106,828.76**

Notes to Financial Statements

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
4	Inventories			
	Raw materials	0.00	0.00	74,802.00
	Work-in-progress	0.00	0.00	4,145,273.00
	Finished and semi-finished goods	0.00	0.00	0.00
	Stores and spares	0.00	0.00	145,476.20
	Total Inventories	**0.00**	**0.00**	**4,365,551.20**
5	**Investments (at fair value through Profit & Loss statement)**			
	Investment in Futures and Options	5,276,325.74	0.00	2,412,708.57
6	**Trade receivables (Current)**			
	Outstanding for a period exceeding six months from the date they were due for payment			
	Unsecured, Considered Good	0.00	7,155,916.90	8,366,055.54
	Unsecured, Considered doubtful	0.00	0.00	0.00
	Others - Considered Good	253,320.00	230,000.00	230,000.00
	Total Trade Receivables	253,320.00	7,385,916.90	8,596,055.54
7	**Cash & Cash Equivalents**			
	Current Cash and bank balances			
	Cash in hand	17,603.78	16,868.78	18,316.78
	Unrestricted Balances with banks			
	Current Accounts	136,267.88	86,171.56	118,542.68
	Deposit accounts with original maturity of 3 months or less	222,814.00	218,709.70	206,859.70
	Total Cash & Cash Equivalents	376,685.66	321,750.04	343,719.16
8	**Loans**			
	Others - Unsecured, Considered good			
	Staff advances	0.00	0.00	1,102,328.50
9	**Other Current Assets**			
	Balances with government authorities (other than income taxes)	665,445.00	848,386.64	756,506.64
	Security Deposits	1,221,150.00	1,162,241.00	1,027,704.34
	Other advances	1,418,000.00	15,000.00	0.00
	Total Other Current Assets	3,304,595.00	2,025,627.64	1,784,210.98

Notes to Financial Statements

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
10	**Equity Share Capital**			
	Authorised Capital			
	1,08,00,000 Equity Shares of Rs.10/- each with voting rights	108,000,000.00	108,000,000.00	108,000,000.00
	Issued, Subscribed and Fully Paid-up			
	60,00,000 Equity Shares of Rs.10/- each with voting rights	60,000,000.00	60,000,000.00	60,000,000.00
	Terms/Rights attached to Equity shares			
	The company has only one class of equity shares having par value of Rs. 10/- per share. Each share holder is eligible for one vote per share.In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion of their shareholding.			
	Reconciliaton of the number of equity shares outstanding and the amount of Share Capital			
	Particulars	No. of Shares	Share capital in Rs.	
	Shares oustanding as at March 31, 2018	6,000,000	60,000,000	
	Shares issued during the financial year ending March 31, 2019	-	-	
	Shares outstanding as at March 31, 2019	6,000,000	60,000,000	
	Shares issued during the financial year ending March 31, 2020	-	-	
	Shares outstanding as at March 31, 2020	6,000,000	60,000,000	

Details of shares held by each shareholder holding more than 5% shares:	No. of Shares as at March 31, 2020	No. of Shares as at March 31, 2019	No. of Shares as at April 1, 2018
No. of Shares held			
Sri. A.K..Gupta	818,996	818,996	818,996
Smt.Indra gupta	811,102	811,102	811,102
Sri. Aditya kumar Gupta	816,301	816,301	816,301
Smt.Nidhi Gupta	817,401	817,401	817,401
Percentage of Shareholding			
Sri. A.K..Gupta	13.65%	13.65%	13.65%
Smt.Indra gupta	13.52%	13.52%	13.52%
Sri. Aditya kumar Gupta	13.61%	13.61%	13.61%
Smt.Nidhi Gupta	13.62%	13.62%	13.62%

Notes to Financial Statements				
11	**Non-Current Borrowings**			
	Secured Borrowings	0.00	0.00	0.00
	Unsecured Borrowings			
	Loans repayable on demand			
	Intercorporate loans			
	Nithya Estates and Developers India Private Limited	89,775,438.00	85,174,275.00	81,218,271.40
	Minolta Securities Limited	25,217,260.00	25,268,260.00	25,443,260.00
	Loans from related parties			
	Nidhi Gupta	1,129,900.00	319,000.00	3,026,000.00
		116,122,598.00	110,761,535.00	109,687,531.40
12	**Trade payables**			
	Trade payable for goods & services	0.00	0.00	0.00
	Trade payable for expenses	242,301.00	252,539.00	1,085,358.00
	Trade payable for finance	576,945.32	523,445.00	527,701.00
		819,246.32	775,984.00	1,613,059.00
13	**Other current liabilities**			
	Advances received from customers	2,300,000.00	2,342,293.50	2,342,293.50

Note No.	Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
14	**Revenue from operations**			
	Revenue from sale of goods (including excise duty) (Refer Note Below)		0.00	0.00
	Revenue from rendering of services		3,403,240.00	2,760,000.00
			3,403,240.00	2,760,000.00
	Note: Revenue from sale of goods includes			
	Sale of Manufactured Goods		0.00	0.00
	Sale of Fabric		0.00	0.00
	Revenue from rendering of services represents			
	Renting of immovable property		3,403,240.00	2,760,000.00
			3,403,240.00	2,760,000.00
15	**Other Income**			
	Interest earned on bank deposit		164,688.10	95,135.00
	Other Income		6,887.58	888,050.33
	Profit on sale of machinery		0.00	0.00
			171,575.68	983,185.33
16	**Cost of materials consumed**			
	Inventory at the beginning of the year		0.00	0.00
	Add: Purchases		0.00	0.00
	Less: Inventory at the end of the year		0.00	0.00
	Cost of materials consumed		0.00	0.00

17	**Changes in stock of finished goods, work-in-progress and stock-in-trade**			
	Inventories at the end of the year:			
	Finished goods		0.00	0.00
	Work-in-progress		0.00	0.00
	Stock-in-trade		0.00	0.00
	Sub-Total		0.00	0.00
	Inventories at the beginning of the year:			
	Finished goods		0.00	0.00
	Work-in-progress		0.00	0.00
	Stock-in-trade		0.00	0.00
	Sub-Total		0.00	0.00
	(Increase) / Decrease in inventory		0.00	0.00
18	**Employee benefit expense**			
	Salaries and wages, including bonus		1,578,750.00	1,436,750.00
	Contribution to provident and other funds		4,659.00	0.00
			1,583,409.00	1,436,750.00
19	**Finance costs**			
	Interest expense		5,115,885.00	4,870,246.60
20	**Other expenses**			
	Power and Fuel		2,328.00	4,446.00
	Repairs to machinery		2,886.00	8,053.00
	Insurance		9,526.07	10,815.00
	Rates & Taxes, excluding taxes on income		0.00	0.00
	Land Tax		4,951.00	5,461.00
	Listing Fees		168,228.50	127,846.52
	Professional And Consultancy Charges		68,393.00	75,605.50
	Miscellaneous expenses		1,010,378.76	504,518.00
	Bad debts and doubtful advances written off		0.00	1,442,100.48
			2,178,845.00	1,891,331.17

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

21. The balance in parties accounts are subject to confirmation and reconciliation, if any, in the opinion of the management all current assets including stock in trade/ sundry debtors and loans and advances in the normal course of business would realize the value atleast to the extent stated in the Balance sheet.

22. Based on information available with Company, there are no outstanding dues to enterprise under MSMED Act, 2006 at the year end.

23. **RELATED PARTY DISCLOSURE:**

1) Name of Related Parties and description of Relationships:

a	Holding Companies, Subsidiaries & Fellow Subsidiaries	Nil
b	Associates & Joint Ventures	Nil
c	Individuals owning control or significant influence over the enterprise, and relatives of any such individual;	Nil
d	Key management Personnel	Mrs. Nidhi Gupta (MD) Mr. Hemnat Kumar Gupta [CFO] Ms Kirtishree Agarwal [CS]
e	Relatives of Key management Personnel	Nil
f	Enterprises over which any person described in (c) or (d) is able to exercise significant influence	Nil

2) Related Party Transactions

Related Party	Name of Relationship	Nature of Transaction	Amt. Rs. In Lakhs
Mr. Hemant Kumar Gupta	CFO	Remuneration	Rs.4.20
Ms Kirtishree Agarwal	CS	Remuneration	Rs.1.35
Ms Nidhi Gupta	Managing Director	Loan received by the company	Rs.11.30