

CORPORATE INFORMATION

Kushal Limited

CIN.: L74110GJ2000PLC037472

Registered Office

GF/Q, Mondel Square,
Opp. Prahaladnagar Garden,
S. G. Highway, Ahmedabad-15,
Gujarat,
Tel.: +91-79-22772991
Web.: www.kushallimited.com

Board of Directors

Mr. Yogeshkumar Patel- Additional Director (Managing Director) w.e.f. January 20, 201
Mr. Kalpeshkumar Agrawal- Additional Director (Executive Director) w.e.f. January 4, 2021
Mr. Diksha Tomar- Additional Director (Executive Director) w.e.f. January 4, 2021
Mr. Jwalant Patel- Additional Director (Independent Director) w.e.f. July 1, 2021
Mr. Anil Soni- Independent Director
Mrs. Kavita Tejaskumar Shah- Independent Director

Chief Financial Officer

Mr. Jitendra Yadav

Registrar & Share Transfer Agent

Bigshare Services Private Limited

Mumbai Branch:

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (East), Mumbai,
Maharashtra, 400059

Tel No.: +91 – 22 – 40430200 / 62638200

Fax No.: +91 – 22 – 28475207 / 62638299

Web.: www.bigshareonline.com

Ahmedabad Branch:

A/802, Samudra Complex, Near Klassic Gold, Girish
Cold Drink, C.G Road, Ahmedabad, Gujarat-380009

Tel.: +91-79-40024135

Web.: www.bigshareonline.com



BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Anil Soni - Chairman
Mrs. Kavita Shah - Member
Mr. Jwalant Patel- Member
Mr. Diksha Tomar - Member

NOMINATION AND REMUNERATION COMMITTEE

Mrs. Kavita Shah - Chairman
Mr. Jwalant Patel- Member
Mr. Anil Soni - Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Jwalant Patel- Chairman
Mr. Anil Soni - Member
Mr. Yogeshkumar Patel- Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Jwalant Patel- Chairman
Mr. Kalpeshkumar Agrawal- Member
Mr. Diksha Tomar - Member

DIRECTOR'S REPORT

To
The Members,

The Board of Directors are pleased to present the Company's 21st Annual Report along with the Audited Financial Statements for the Financial Year ended March 31, 2021.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2021 is summarized below:

1. FINANCIAL SUMMARY

(□ In Lakhs)

	<u>2020-21</u>	<u>2019-20</u>
Revenue from operations	841.54	18055.95
Other income (net)	-	249.77
Total Revenue (A)	841.54	18305.73
Total Expenses (B)	10152.44	26347.21
Profit Before tax (PBT) (A-B)	(9310.90)	(8041.49)
Less Provision for Current Tax (including earlier year)	-	-
Less: Deferred Tax Provision	-	-
Profit After Tax (PAT)	(9310.90)	(8041.49)
Earnings per share (□ 2/- each)		
a). Basic	(3.76)	(3.25)
b). Diluted	(2.77)	(2.39)

2. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these Financial Statements relate and on the date of this report. Further, during the financial year under report, no significant or material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and operations of the company in future

3. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business during the year under review

4. PERFORMANCE OF THE COMPANY

During this year your Company has a turnover of □841.54 Lakhs as against □118055.95 Lakhs in the previous year. Your Company posted a loss of □9310.90 Lakhs (before/after Tax) as against loss of □8041.49 Lakhs (before/after Tax) in the previous year.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

6. DIVIDEND

Your directors regret their inability to recommend dividend for the financial year 2020-21.

7. LISTING ON STOCK EXCHANGES

As on March 31, 2021, the equity shares of the company were listed on BSE Limited. The company has paid the annual listing fees for the financial year ending on March 31, 2021 within time.

8. TRANSFER TO RESERVES

The Company proposes not to transfer any funds out of its total profit of for the financial year to the General Reserve.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

As on March 31, 2019, there were no outstanding loans or guarantees covered under the provisions of Section 186 of the Act.

The details of changes in the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

10. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public falling within the ambit of Section 73 of the Companies Act, 2013(hereinafter referred to as the 'Act'), and the Companies (Acceptance of Deposits) Rules, 2014.

11. EQUITY SHARE CAPITAL

The Company's shares are listed on BSE Limited (BSE). Stock performance and stock data are furnished in the section on Corporate Governance. During the financial year the Company has not issued any shares and therefore there is no change in the Share Capital of the Company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointment/Regularisation:

- As per provision of Companies Act 2013, Mr. Kalpeshkumar Agrawal (DIN: 08991349) who retires by rotation, and being eligible, offer himself for re-appointment is appointed

as Executive Director of the Company in the Board Meeting dated 4th January, 2021.

Appointment:

- Appointment of Mr. Manish Sharma as an additional executive director of the company effective from January 4, 2021 at the meeting of board of directors of the company held on January 4, 2021.
- Appointment of Mr. Kalpeshkumar Agrawal as an additional executive director of the company effective from January 4, 2021 at the meeting of board of directors of the company held on January 4, 2021.
- Appointment of Mr. Diksha Tomar as an additional executive director of the company effective from January 4, 2021 at the meeting of board of directors of the company held on January 4, 2021.
- Appointment of Mr. Yogeshkumar Patel as an additional executive director of the company effective from January 20, 2021 at the meeting of board of directors of the company held on January 20, 2021.
- Appointment of Mr. Jwalant Patel as an additional Independent Director of the company effective from July 1, 2021 at the meeting of board of directors of the company held on June 29, 2021.

Resignations:

- CS Shivangi Shah resigned as the Company Secretary and Compliance officer of the company with effect from June 12, 2020 due to personal reasons.
- Mr. Manoj Agrawal resigned as Executive Director of the company with effect from January 4, 2021 due to mental depression at the meeting of the Board of Directors of the Company held on January 4, 2021.
- Mr. Sandeep Agrawal resigned as Managing Director of the company with effect from January 4, 2021 due to health issues at the meeting of the Board of Directors of the Company held on January 4, 2021.

- Mr. Kushal Agrawal resigned as Executive Director of the company with effect from January 4, 2021 due to his interest in another venture at the meeting of the Board of Directors of the Company held on January 4, 2021.
- Mr. Manish Sharma ceased to be an Additional Executive Director of the company with effect from January 20, 2021 due to his wrongful act prejudicial to the interest of the Company.
- Mr. Dharmendra Bhuchhada resigned as Independent Director of the company with effect from July 1, 2021 due to his interest in another industry at the meeting of the Board of Directors of the Company held on June 29, 2021.
- Two meetings of the Nomination and Remuneration committee were held during the year.
- One meetings of the Stakeholder Relationship Committee were held during the year.
- One meetings of the Corporate Social Responsibility committee were held during the year.

For details of the meetings of the board and committees, please refer to the Corporate Governance report which forms part of this Annual Report. The intervening gap of the board meetings and audit committee meetings were within the period as prescribed under the Companies Act, 2013.

Declaration by Independent Directors

All the Independent Directors have submitted their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. COMMITTEES OF THE BOARD

The details of various committees of Directors constituted under various provisions of Companies Act, 2013 and Rules made thereunder, their constitution, terms of reference and other details are provided in the Corporate Governance Report.

Compositions of Board of Directors and various Committees of Directors are available on the Company's website at www.kushalimited.com

14. NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES

The number of meetings of the board and committees held during the year under review are as under:

- Nine Meetings of the Board of Directors were held during the year.
- Six meetings of the Audit committee were held during the year.

15. BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, read with the Guidance Note on Board Evaluation, the Board has carried out the annual performance evaluation of the Board as a whole, the Directors individually as well as the working of the Board and its Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as contribution of individual director to the board and committee meetings like preparedness on matters to be discussed, constructive contribution and inputs in meetings etc. Further, in a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and its Chairman was evaluated as stipulated under the SEBI Listing Regulations.

16. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended 31st March 2021, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. A statement giving details of all RPTs is placed before the Audit Committee for review on a quarterly basis.

There are no materially significant related party transactions entered into by the Company with its promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Further, Transactions with related parties, as per the requirements of IND AS 24 are disclosed in the notes to financial statements.

The Board of Directors has adopted a policy on Related Party Transactions which has been uploaded on website of the Company:

<http://kushallimited.com/files/07-policy-of-related-party-transactions-sc5a4dd71befe33.pdf>

17. CORPORATE SOCIAL RESPONSIBILITY

Your Company recognizes the vital role played by society at large in its growth and development and strives to discharge its social responsibility as a corporate citizen. The key philosophy of all our Corporate Social Responsibility (CSR) initiatives is guided by our belief "Every Smile Counts" Our CSR projects focus on participatory and collaborative approach with the community. Over a period of last three years, your Company has emphasized CSR projects in the areas of Education, Healthcare, Women empowerment and Water and Sanitation.

As per the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial year on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

The details of CSR activities carried out by your Company during the year under review are set out in Annexure B forming part of this report.

The Corporate Social Responsibility Policy as approved by the Board may be accessed on the Company's website:

<http://kushallimited.com/files/10-policy-on-corporate-social-responsibility-sc5a587988cc3ef.pdf>

18. CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, forms a part of this Annual Report, as per SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

The Corporate Governance report as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report

19. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Matching the needs of company and enhancing the competencies of the board are the basis for the Nomination and Remuneration Committee to select a candidate for the appointment to the board.

The current policy is to have a balanced mix of executive and non-executive Directors to maintain the independence of the board, the Board of Directors comprise of 6 Directors out of which 3 are non-executive, including one women Director, which is one half of the total number of Directors.

The policy of the company on directors' appointment, including criteria for determining qualification, positive attributes, independence of a director and other matters, as required under sub-section (3) of section 178 of the Companies Act 2013, is governed by the Nomination and Remuneration policy and other details are available on the company's website:

<http://kushallimited.com/files/nomination-and-remuneration-policy-sc5ad72419584fc.pdf>

We affirm that the remuneration paid to the Executive directors of the company is as per the Nomination, remuneration policy.

20. BOARD DIVERSITY

The board has adopted a Policy on Board diversity which sets out the approach to diversity of the board of directors. The Policy on Board diversity is available on the company's website:

(<https://www.kushallimited.com/files/policy-on-board-diversity-sc5b727b86ca7bb.pdf>)

21. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

The board has amended the policy of code of conduct to regulate, monitor and report trading by insiders which came into effect from April 01, 2019 as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 at the meeting of board of directors of the company held on May 30, 2019.

The policy of code of conduct to regulate, monitor and report trading by insiders has been uploaded on the website of the company:

(<https://www.kushallimited.com/files/code-of-conduct-insider-trading-w-e-f-april-01-2019-sc5cefbb3fedc86.pdf>)

22. CODE OF PRACTICE AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION FOR ADHERING TO THE PRINCIPLES OF FAIR DISCLOSURE

The board has amended the policy of Code of practice and procedures for fair disclosure of unpublished price sensitive information for adhering to the principles of fair disclosure which came into effect from April 01, 2019 as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 at the meeting of board of directors of the company held on May 30, 2019

The policy of code of conduct to regulate, monitor and report trading by insiders has been uploaded on the website of the company:

(<https://www.kushallimited.com/files/code-of-practices-and-procedures-for-fair-disclosure-w-e-f-april-01-2019-sc5cefc03dd6119.pdf>)

23. WHISTLEBLOWER/VIGIL MECHANISM

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behavior and living corporate values.

The Whistle Blower Policy has been uploaded on the website of the Company (<https://www.kushallimited.com/files/whistle-blower-policy-sc5b72817c54b63.pdf>).

The Company's Whistle Blower Policy is the mechanism for directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, violations of legal or regulatory requirements, incorrect or misrepresentation in any financial statements and reports etc. The mechanism provides for adequate safeguards against victimization of those who avail the mechanism and also provides for direct access to the Chairman of Audit Committee in exceptional cases.

24. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no complaint relating to sexual harassment has been received.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no

- material departures have been made from the same;
- (b) that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the year ended March 31, 2021;
 - (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (d) that the annual accounts has been prepared on a going concern basis;
 - (e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 - (f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. AUDITORS

a). Statutory Auditors

M/s S. V. Sojitra & Co., Chartered Accountants, Ahmedabad (FRN: 139013W) were appointed as Statutory Auditors of the company at 18th Annual General Meeting of the Company on December 10, 2018.

However, M/s S. V. Sojitra & Co., Chartered Accountant, have expressed their unwillingness to continue as the Statutory Auditors of the Company as indicated in their resignation letter dated August 14, 2021.

b). Auditor's Report

The report of the Statutory Auditor along with Notes to Accounts are enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

c). Secretarial Auditor:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report (in Form MR-3) is attached as Annexure C, to this Report. The Secretarial Auditor's Report to the shareholders does not contain any qualification.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective Internal Control System to prevent fraud and misuse of Company's resources and protect shareholders' interest. These systems ensure that transactions are authorized, recorded and reported diligently, to safeguard the assets of the Company.

Your Company has also established and maintained the Internal Financial Control to ensure the orderly and efficiently conduct of its business inter alia adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

28. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

29. PARTICULAR OF EMPLOYEES

The information pertaining to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is annexed herewith as Annexure A.

There is no employee drawing a salary exceeding the limit prescribed under Section 197(12) read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 are as under:

A). Conservation of Energy:

The operations of your Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy by way of optimizing usage of power.

B). Technology Absorption:

In the Financial Year 2020-21, no specific technology involved in the business model of the company.

ii. Import of Technology:

The Company has not imported any technology during the year.

C). Foreign Exchange Earning & Out Go:

The Company has no earning or outgo of foreign exchange during the year.

31. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their gratitude to the various stakeholders – customers, shareholders, banks, dealers, vendors and other business partners for the continued cooperation and support extended by them during the year under review. Your Directors would also like to acknowledge the exceptional contribution and commitment from all the employees of the Company during the year under review.

For and on Behalf of the Board

Yogeshkumar Patel
(Chairman and Managing Director)
(DIN: 03504954)

Place: Ahmedabad
Date: 09.11.2021

ANNEXURE-A TO THE DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES

1. DISCLOSURE OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i). The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2020-21:

Sr. no.	Name of Director/KMP and Designation	Remuneration Of Director/KMP for financial year 2020-21 (□ in Lakhs)	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Sandeep Agrawal Chairman and Managing Director (DIN: 00239648)	13.50 [#]	Nil	7.63 times
2.	Mr. Manoj Agrawal Executive Director (DIN: 00225494)	6.75 [#]	Nil	3.82 times
3.	Kushal Agrawal (Executive Director) (DIN: 03043294)	4.50 [#]	NIL	2.54 times
4.	Yogeshkumar Patel (Additional Executive and Managing Director)	0.91 [#]	NIL	NA
5.	Kalpeshkumar Agrawal (Additional Executive Director)	NIL [#]	NIL	NA
6.	Diksha Tomar (Additional Executive Director)	0.91 [#]	NIL	NA
7.	Kavita Tejaskumar Shah Independent Director (DIN: 05295442)	0.65	N.A.	NA
8.	Dharmendra Bhuchhada Independent Director (DIN: 06468613)	0.65 [#]	N.A.	NA
9.	Anil Soni Independent Director (DIN: 07579989)	0.65	N.A.	NA
10.	Jwalant Patel (Additional Independent Director)	NIL [#]	NIL	NA
9.	Jitendra Yadav Chief Financial Officer	5.41	Nil	3.04 times

10.	Shivangi Shah Company Secretary	Nil	Nil	NA
-----	------------------------------------	-----	-----	----

#Mr. Sandeep Agrawal, Mr. Manoj Agrawal, Mr. Kushal Agrawal resigned from the office of directors w.e.f. January 4, 2021 and Mr. Kalpeshkumar Agrawal and Diksha Tomar appointed as additional Executive Directors w.e.f. January 4, 2021. #Mr. Yogeshkumar Patel appointed as additional executive Managing Director w.e.f. 20th January 2021 and Mr. Jwalant Patel appointed as Additional Independent Director w.e.f. 1st July, 2021. *CS Shivangi Shah resigned as Company Secretary and Compliance Officer of the Company w.e.f. 12/06/2020.

ii). The percentage increase in the median remuneration of employees in the Financial Year:

The median remuneration of employees in the Financial Year 2020-21 has increased by 2.25% as compared to the previous year.

iii). The number of permanent employees on the rolls of Company: As on 31st March 2021, there were 8 permanent employees on the rolls of the company.

vi). Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increment in FY 2020-21 for Managerial Personnel: increment in salary of managerial Personnel is NA.

Average Increment in FY 2020-21 for Non Managerial Personnel: 2.54% (Average percent) increment in salary of employees.

v). Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the as per the remuneration Policy for Directors, Key Managerial Personnel and other Employees.

2. Disclosure under Rule (5)(2)(iii) of the Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014- Not Applicable

For and on behalf of the Board

Place: Ahmedabad
Date: November 9, 2021

Yogeshkumar Patel
(Managing Director)
(DIN: 03504954)

ANNEXURE-B TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken :

The Company believes to actively contribute to the social and economic development of the society in which the company operates.

The company undertakes corporate social responsibility activities enumerated in schedule VII of the Companies Act, 2013 from time to time. In doing so it plans to build a better and sustainable way of life for the weaker sections and to contribute to the social development of the society in which the company operates.

Our projects focus to remove the obstacles that are holding back people and the society, and giving the disadvantaged a fair opportunity at unlocking their true potential. All our CSR projects are selected and implemented in accordance with our CSR Policy. Our Vision is to advance the quality of life through our social commitments to help build healthy, sustainable, efficient and educated communities.

The Company's CSR policy can be accessed on.: www.kushallimited.com

2. The Composition of the CSR Committee.

The Corporate Social Responsibility Committee was constituted with the following members:

Name of the Director	Category
Mr. Jwalant Patel	Chairman
Mr. Kalpeshkumar Agrawal	Member
Mr. Diksha Tomar	Member

3. Average net profit of the company for last three financial years: Rs. -53.40 Lakhs

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): N.A.

5. Details of CSR spent during the financial year 2020-21

- (a) Total amount spent for the financial year: NA
- (b) Amount unspent, if any-NA

(c) Manner in which the amount spent during the financial year 2020-21 N.A.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - NA
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

FOR KUSHAL LIMITED

Mr. Jwalant Patel
(Chairman, CSR Committee)

Mr. Yogeshkumar Patel
(Member and Managing Director)

Place: Ahmedabad
Date: November 9, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FINANCIAL YEAR ENDED 2018-19

(a) Global Economic Overview

Global economic overview Even after more than a year into the pandemic, the global economy still remains on highly uncertain ground. COVID cases are accelerating in many countries, new virus strains are emerging and death toll rising continuously even as WHO warns that the pandemic will be more deadly this year than 2020. Although vaccination has started, the disproportionate distribution is a cause for worry, with only the US, China, Europe, UK and Canada accounting for over 70% of all vaccine doses administered vis-à-vis only 0.3% of going to low-income countries. Even though the economic recovery has taken hold, they are hugely divergent across countries and sectors. The policy action, although quite swift, provided about \$16 trillion in fiscal support worldwide and yet there was a huge variation in policy support across nations. Global growth is projected at 6% in 2021, led primarily by the smart recovery in the US, which is expected to grow by 6.4%, making it the only large economy projected to surpass the pre-pandemic level of GDP. Other advanced economies, including the euro area, will also rebound this year but at a slower pace, after witnessing a double-dip recession in Q1 due to slower vaccination drive and tougher restrictions/ lockdowns. Among the emerging economies, China is projected to grow 8.4% this year. However, many other emerging countries are not expected to return to prepandemic GDP until 2023.

(b) Indian Economy

The Indian economy after witnessing record contraction in first half of last fiscal, made a stronger-than-expected recovery in the second half of 2020 following the easing of lockdowns. Going into the new year 2021, the economic activity seemed to be gathering momentum at a sustainable pace with people demonstrating greater confidence in stepping out and spending. This was reflected in the significant recovery in the auto manufacturing and construction sectors, the two major segments with almost 350 upstream and downstream linkages, and especially with the MSME sector. IMF projected in January 2021 that India would be the only major economy in the world likely to witness double-digit growth in 2021. But as India entered the second wave of the pandemic, new cases started to rise with cases in the last two months more than double than the cumulative case load during the previous 12 months, accompanied by 5-6 times rise in the death toll. This, along with renewed lockdowns and containment measures, put a big dent on consumer sentiment, increasing the likelihood of medium-term scarring effects on the potential output. Already the

double digit growth forecasts for India made before the second wave has been scaled back considerably. Even with the aid of low base of last year, growth level would only be able to manage to reach the pre-pandemic level by end of 2021 or early next year, effectively meaning a loss of two years of growth. Rapid vaccinations and continued fiscal and monetary support measures are the only means to the path of recovery as exemplified by the US and China. Otherwise it is likely to take a while for the growth trajectory of Indian economy to reach the potential.

(c) Outlook for 2021-22

By the end of calendar year 2020, there was a sharp revival of economic activity and there were predictions of a V-shaped recovery. The International Monetary Fund's (IMF) projections showed India to be the fastest growing for the year 2021-22 at 11.5% real growth. But by mid-March 2021 all those rosy recovery projections seem once again in jeopardy due to the arrival of the second wave. The COVID-19 had been replaced by a much more virulent and faster spreading and more deadly Indian Variant (B.1.617). This has once again placed huge

uncertainties on the speed of recovery, the ability of Government to take incremental economic impact from one more wave of the pandemic and the dent on consumption habits of people twice hit by loss of income in a short time. The Reserve Bank of India has been at the forefront of creating and maintaining liquidity in the systems so that businesses faced the least disruption. While RBI had announced several high impact measures, the percolation of these measures was rather tepid given the risk aversion of key lenders – banks and NBFCs. The stimulus package especially the Production Linked Incentives scheme has revived some sectors faster while other unsupported sectors continue to face uncertain times. The Company believes that it can manage the extreme event with its cash balances, liquid investments and undrawn bank limits.

(c) Indian paper and packaging industry overview

India accounts for 4% share of the global paper demand and is the fastest growing paper and packaging board market, globally. The Indian paper and packaging board market was estimated to be growing at a CAGR of 6.2% pre-Covid. In terms of volume, the market stood at 20 Million tonnes in 2019-20. However, in 2020-21, the Indian paper and paperboard market is estimated to have contracted by 15%, year-on-year, led by a massive contraction in demand for printing & writing paper grades.

The Indian paper industry was severely impacted due to Covid pandemic and ensuing lockdown. Around 80% of the domestic manufacturing capacity is clustered in 7 states, namely Uttar Pradesh, Uttarakhand, Andhra Pradesh, Telangana, Tamil Nadu, Maharashtra and Gujarat. These 7 states are also major demand centers as they constitute nearly 50% of India's GDP.

However during Covid lockdown, 80-90% of Paper Mills in these 7 states were in 'red' or 'orange' zones at some point in time and were operationally affected. The long-term outlook of the Indian paper and packaging board market remains positive with

growth expected to be driven by the packaging segment. Rising imports, due to surplus capacity globally, remain a concern for domestic manufacturers. [Source: IPMA, Crisil, Internal Analysis]

(d) Strengths and Weakness

Strengths:

1. Fastest growing paper market
2. Production of a wide paper variety range
3. Enhancing farmer incomes
4. High employability
5. Recyclability of waste paper

Weakness:

1. Low capacity utilization
2. High water requirement
3. Capital-intensive
4. Most plants funded through higher debt
5. Growing requirement of scale to survive

(e) Opportunities and Threats

Opportunities:

1. Huge growth headroom from per capita consumption perspective and literacy rate
2. Increase in consumption of packaging paper/board in food and pharma sector post Covid (due to permanent shift in consumption pattern)
3. Room for socioeconomic development
5. Innovative product create possibilities
7. Ban on single-use plastic, creating an alternative paper market

Threats:

1. Increasing raw material costs
2. Rising competition from Imports
3. Trends like- Work from home, Online education accelerating the pace of digitalisation
4. Technological obsolescence
5. Intermittent closures and lockdowns due to COVID-19 pandemic outbreak affecting demand

(f) Performance & Outlook:

The details have already been covered in the Board's Report.

(g) Risk and concerns:

Your Company identified various risks and implemented its Mitigation Plans. Risk Policy and monitored frameworks has been approved by the Audit Committee and the Board of Directors of the Company. Risk reporting and monitoring is being conducted regularly by Governance Risk and Compliance Committee (GRCC) at all the operation levels and reporting directly to the Audit Committee and the Board on half-yearly basis

(h) Internal control systems and their adequacy:

The company views internal control as a tool for improving operational performance and ensuring reliability of reporting mechanism. The company is equipped with adequate internal control systems for its business operations which determine the efficiency of its operational strengths in financial reporting and ensure compliance with applicable laws and regulations. The company continuously monitors the effectiveness of the internal controls with an objective to provide to the audit committee and the board of directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The company also assesses opportunities for improvement in business processes, systems and controls to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the audit committee and the senior management. The internal control systems are supplemented by extensive audits conducted by the internal auditors. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

(i) Discussion on financial performance with respect to operational performance.

Financial Performance has been detailed in the Board's Report.

(j) Material developments in Human Resources / Industrial Relations front, including number of people employed.

Employees are vital and valuable assets for any organization. They have always been part of success stories experienced by the organizations. The company recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfil their aspirations. It believes in creating a favourable work environment which can lead to innovative ideas. The company has an optimum process of recruitment and awarding its human resource which leads to attraction and retention of productive individuals in the organization. The Company believes in offering full opportunity for growth to employees demonstrating positive attitude and initiative to accept challenge and responsibility. The total number of employees in the company stands at 8 as at March 31, 2021.

(k) Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. The Company's actual results, achievement might differ materially from those projected in any such forward looking statement.

For and on Behalf of the Board

Yogeshkumar Patel
Managing Director)
(DIN: 03504954)

Place: Ahmedabad
Date: November 9, 2021

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 2020-21

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At Kushal, we view corporate governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance & are involved in the company's business practices to ensure ethical and responsible leadership both at the board and at the management level. The company's philosophy on corporate governance is to enhance the long-term economic value of the company and to give sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the company with that of its shareholders & other key stakeholders.

Corporate governance is not merely compliance or simply creating checks and balances but it is an ongoing measure of superior delivery of company's objects with a view to translate opportunities into reality. This, together with sustainable development policies followed by the company, has enabled your company to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates.

We are in compliance of all mandatory requirements of corporate governance laid down under new listing Regulations.

BOARD OF DIRECTORS

As on date, the Company has Six Directors headed by Mr. Yogeshkumar Patel as the Chairman and Managing Director of the Board, there are three Executive Directors and three are Non- Executive Independent Directors in the board.

Each Director brings to the Board, domain knowledge on different aspects/functions in accordance with the Company's policy on Board diversity. The Board provides strategic guidance to the company management and ensures effective monitoring of the management and corporate governance practices.

During the year Mr. Sandeep Agrawal, Mr. Manoj Agrawal and Mr. Kushal Agrawal resigned w.e.f. 4th January, 2021 and Mr. Kalpeshkumar Agrawal and Ms. Diksha Tomar have been appointed as executive director with effect from 4th January, 2021. Mr. Yogeshkumar Patel has been appointed as Managing Director w.e.f. 20th January, 2021 and Mr. Jwalant Patel has been appointed as Non-Executive Independent Director w.e.f. 1st July, 2021. and none of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies. The composition of the Board is in line with Regulation 17 of Listing Regulations. None of the Directors on the Board is a Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he is a Director.

Meeting of the Board

The Board of Directors met 9 (nine) times during the financial year 2020-21 ended on March 31, 2021. Necessary quorum was present for all the meetings.

The Board meets at regular intervals to discuss and decide on Company/ Business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative notice of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings.

However, in case of a special and urgent business matters, shorter notice of at least two working days had given, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The agenda and agenda notes are circulated to all the Directors well in advance. All the agenda items are backed by agenda notes and relevant supporting papers to ensure adequate flow of information from the management, and to enable Directors to have focused discussions at the meeting and take informed decisions.

The details of Board Meetings are provided as follows:

Sr. No.	Date of Board Meeting	Total Strength of the Board	No. of Directors Present
1.	17.07.2020	6	6
2.	30.07.2020	6	6
3.	26.08.2020	6	6
4.	15.09.2020	6	6
5.	11.11.2020	6	6
6.	08.12.2020	6	6
7.	04.01.2021	6	6
8.	20.01.2021	6	6
9.	14.02.2021	6	6

Attendance of Directors during Fiscal Year 2020-21

Sr. no	Directors	Category	Board Meetings during the FY 2020-21		Whether attended last AGM (Yes/No) ()	Directorships held in other companies			Committee Memberships held in other companies.*	Shareholding as on 31.03.2021
			Held	Attended		Director	Chairman	Member		
1.	Sandeep Agrawal (DIN: 00239648)	Promoter/ Chairman and Managing Director	9	6	Yes	-	-	-	-	Equity Shares of face value of ₹ 2/- each 136,82,400
2.	Manoj Agrawal (DIN: 00225494)	Promoter Group member/ Director	9	6	Yes	-	-	-	-	213,74,510
3.	Kushal Agrawal (DIN: 03043294)	Promoter Group member/ Director	9	6	Yes	-	-	-	-	27,17,420
4.	Dharmendra Bhuchhada	Non-Executive /Independ	9	9	Yes	-	-	-	-	-

	(DIN: 06468613)	ent Director								
5.	Kavita Tejaskumar Shah (DIN: 05295442)	Non- Executive /Independent Director	9	9	Yes	-	-	-	-	-
6.	Anil Soni (DIN: 07579989)	Non- Executive /Independent Director	9	9	Yes	-	-	-	-	-
7.	Yogeshkum ar Patel (DIN: 03504954)	Additional Managing Director	9	2	N.A.	-	-	-	-	-
8.	Diksha Tomar (DIN: 08993336)	Additional Executive Director	9	3	N.A.	-	-	-	-	-
9.	Kalpeshkum ar Agrawal (DIN: 08991349)	Additional Executive Director	9	3	N.A.	-	-	-	-	-

Notes:* 1. Includes Audit Committee, Nomination and Remuneration Committee and Shareholder and Investor Grievance Committee of Public limited.

Mr. Sandeep Agrawal, Mr. Manoj Agrawal, Mr. Kushal Agrawal resigned from the office of directors w.e.f. January 4, 2021 and Mr. Kalpeshkumar Agrawal and Diksha Tomar appointed as additional Executive Directors w.e.f. January 4, 2021. Mr. Yogeshkumar Patel appointed as additional executive Managing Director w.e.f. 20th January 2021 and Mr. Jwalant Patel appointed as Additional Independent Director w.e.f. 1st July, 2021. CS Shivangi Shah resigned as Company Secretary and Compliance Officer of the Company w.e.f 12/06/2020.

Separate Meetings of Independent Director

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 14th February 2021. Mr. Anil Soni was unanimously

elected as Chairman of the meeting and all the three Independent Directors of the Company were present at the said Meeting.

Details of familiarisation programmes imparted to Independent Directors

At the time of appointing Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected of him/her as a Director of the Company. The Company's management makes business presentations periodically to familiarise Independent Directors with the strategy, operations and functions of the Company. Such presentations help them understand Kushal's strategy, competitive landscape, business model, operations, service and product offerings, markets, organisation structure, finance, human resources, technology, quality, facilities and risk management, and such other areas as may be relevant for their familiarisation from time to time. These interactions provide them with a holistic perspective of the Company's business and regulatory framework.

<https://www.kushalimited.com/files/familiarisation-programme-for-independent-directors-sc5b72835a69fcc.pdf>

Committees of the Board

In Compliance with the various provision of the Companies Act, 2013 read with Rules framed there under, the SEBI (LODR) Regulation, 2015, your company has four committees:

- (A) Audit committee
- (B) Nomination and Remuneration Committee
- (C) Stakeholders Relationship Committee
- (D) Corporate Social Responsibility Committee

(A) AUDIT COMMITTEE

Composition:

Constitution of Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with rules framed there under and Regulation 18 of the SEBI (LODR) Regulations, 2015. The committee comprise of four Directors which include three Non-Executive Independent directors and one Executive Director. The Chairman of the Committee is Mr. Anil Soni, a Non-Executive Director. The Company Secretary is the Secretary to the Audit Committee. The present composition of Audit Committee is as under:

Name of Director	Category	No. of meetings Attended
Mr. Anil Soni	Chairperson/	6

	Independent director	
Ms. Kavita Tejaskumar Shah	Member/ Independent Director	6
Mr. Dharmendra Bhuchhada	Member/ Independent Director	6
Mr. Kushal Agrawal	Member/ Executive Director	3

Meeting and Attendance:

The Audit Committee met 6 (six) times during the Financial Year 2020-21 and the time gap between two meetings is not more than 120 days. The numbers of meetings of the Audit Committee held and attended by the members during the year are as under:

Sr.No.	Date Of Audit Committee Meeting	Total strength of committee	Attendance
1	30.07.2020	4	4
2	15.09.2020	4	4
3	11.11.2020	4	4
4	04.01.2021	4	4
5	20.01.2021	4	4
6	14.02.2021	4	4

Role of the Committee:

The role of the audit committee includes the following:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be

- included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
 - (9) Scrutiny of inter-corporate loans and investments;
 - (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - (11) Evaluation of internal financial controls and risk management systems;
 - (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (14) Discussion with internal auditors of any significant findings and follow up there on;
 - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) To review the functioning of the whistle blower mechanism;
 - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Powers of Committee:

The Audit Committee have the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice whenever necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The audit committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable,

submitted to stock exchange(s) in terms of Regulation 32(1).

- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(B) NOMINATION AND REMUNERATION COMMITTEE

Composition:

The company has framed qualified Nomination and Remuneration Committee as per the requirements of Section 178 of the Companies Act, 2013 read with Rules framed there under and Regulation 19 of the SEBI (LODR) Regulations 2015.

The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the year ended on 31st March, 2021 are as follows:

Name of Director	Category	No. of meetings Attended
Ms. Kavita Tejaskumar Shah	Chairperson /Independent director	2
Mr. Anil Soni	Member/ Independent Director	2
Mr. Dharmendra Bhuchhada	Member/ Independent Director	2

Meeting and Attendance:

The Nomination and Remuneration met 2 (two) times during the Financial Year 2020-21. The Meetings were held on 4th January, 2021 and 20th January 2021.

The numbers of meetings of the Nomination and Remuneration Committee held and attended by the members during the year are as under:

Sr. No	Date of Meeting	Total strength of committee	Attendance
1	04.01.2021	3	3

2	20.01.2021	3	3
---	------------	---	---

Terms of Reference:

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations and the terms of reference. The terms of reference of the Nomination and Remuneration Committee inter alia, includes the following:

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

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

- a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- d) Perform such other activities as may be delegated by the Board or specified/ provided under the

Companies Act, 2013 or by the Listing Regulations or by any other applicable law or regulatory authority.

Performance Evaluation Criteria

The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board and its committees pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Individual Directors were evaluated on various performance indicators including the following:

- Attendance and Participation at the Board and Committee Meetings.
- Integrity and Maintaining Confidentiality
- Effective deployment of Knowledge and Expertise
- Interpersonal Relationships with other Directors and Management
- Acting in good faith and interest of Company as a Whole.
- Assist the Company in implementing the good corporate governance practices.
- Contributes to strategy and relevant aspects impacting company's performance and such other factors as deemed appropriate.
- Protect the interests of all stakeholders and balance the conflicting interest of the stakeholders.

The board and committee were evaluated on the various parameters including:

- a) Size, structure and expertise of the Board.
- b) Frequency of Meetings
- c) Effective discharge of functions and duties by Board and Committee prescribed under the law and as per terms of reference.
- d) Ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board and Audit Committee)
- e) Working in the interests of all the stakeholders of the company and such other factors.

Remuneration to Directors:

a) Remuneration to Executive Directors:

The details of remuneration paid to the Executive Directors of the Company for the year 2020-21 are as follows:

Name	Salary Paid (□ In Lakhs)
Sandeep Agrawal	13.50
Manoj Agrawal	6.75
Kushal Agrawal	4.50
Diksha Tomar	0.91
Yogeshkumar Patel	0.91

b) Remuneration to Non-Executive Directors

During the financial year the Non-Executive Directors do not have any pecuniary relationship or transactions with the Company. The terms and conditions for appointment of Independent Directors is available on the website of the Company: www.kushalimited.com.

The Company has paid sitting fees of Rs. 6500/- per meeting to all Non-executive Independent Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate Meeting of Independent Directors), during the Financial year 2020-21. No commission is paid to the Independent Directors.

Name	Sitting Fees Paid (□ In Lakhs)
Dharmendra Bhuchhada	0.65
Kavita Shah	0.65
Anil Soni	0.65

(C) Stakeholder relationship committee

Composition:

The company has framed qualified Stakeholder Relationship Committee as per the requirements of Section 178 of the Companies Act, 2013 read with Rules framed there under and Regulation 20 of the SEBI (LODR) Regulations 2015.

The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the year ended on March 31, 2021 are as follows:

Name of Director	Category	No. of meetings Attended
------------------	----------	--------------------------

Mr. Dharmendra Bhuchhada	Chairperson Independent director	1
Mr. Anil Soni	Member/ Independent Director	1
Mr. Manoj Agrawal	Member/ Executive Director	1

Meeting and Attendance:

The Stakeholder Relationship Committee met 1 (one) times during the Financial Year 2020-21. The Meeting was held on 30th July, 2020.

The numbers of meetings of the Stakeholder Relationship Committee held and attended by the members during the year are as under:

Sr.No	Date of Meeting	Total strength of committee	Attendance
1	30.07.2020	3	3

Role of the committee:

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Information on Investor Complaints of Financial year 2020-21:

Number of Complaints received and resolved to the satisfaction of Shareholders / Investors during the year under review and their break- up is as under:

Brought Forward	Received during the Year	Settled/ Redressed during the Year	Carried Forward
0	0	0	0

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition:

Company has constituted Corporate Social Responsibility (CSR) Committee, in compliance with the provision of section 135 of the Companies Act, 2013 read with Rules framed there under.

The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the year ended on 31st March, 2021 are as follows:

Name of Director	Category	No. of meetings Attended
Mr. Dharmendra Bhuchhada	Chairperson/ Independent director	1
Mr. Kushal Agrawal	Member/ Executive Director	1
Mr. Sandeep Agrawal	Member/ Executive Director (Chairman and Managing Director)	1

Meeting and Attendance:

The Corporate Social Responsibility Committee met 1 (one) time during the Financial Year 2020-21. The Meeting was held on 30th July, 2021.

The numbers of meetings of the Stakeholder Relationship Committee held and attended by the members during the year are as under:

Date of Meeting	Total strength of committee	Attendance
30.07.2020	3	3

Role of the committee:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;
2. Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
3. Monitor the CSR policy of our Company and its implementation from time to time; and
4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

(A) GENERAL BODY MEETINGS

i) Location and time for last three Annual General Meetings and special resolutions passed were:

Year	Day, date and time	Venue	No. of Special Resolution(s) passed
2017-18	Monday December 10, 2018 10:30 AM	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad, Gujarat-380015	Nil
2018-19	Monday September 30, 2019 11:00 AM	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad, Gujarat-380015	Nil
2019-20	Thursday December 31, 2020 11.00 A.M.	Video Conference	Nil

ii) Extraordinary General Meeting

During the period under review, no Extra Ordinary Meeting was held.

None of the business proposed to be transacted at the forthcoming Annual General Meeting is proposed to be conducted through Postal Ballot.

(B) Postal Ballot

During the period under review, No Resolutions through postal ballot were passed.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements to the extent applicable to the Company.

Means of Communications

I. Quarterly Results

The quarterly and yearly financial results of the Company are submitted to the Stock Exchange immediately after they are approved by the Board. The results are published in 'Financial Express' both in English and the vernacular.

II. Website

Detailed information on the Company's business; quarterly and annual financial results, shareholding patterns and other information are displayed on the Company's website www.kushallimited.com.

III. Intimation to Stock Exchange

The Company intimates stock exchanges all information which in its opinion are material & of relevance to the shareholders. The Company also submits electronically various compliance reports /statements periodically in accordance with the provisions of the Listing Regulations on BSE's Electronic Filing Systems.

General Shareholder information

i)

Sr. no.	Salient Items of Interest	Particulars
---------	---------------------------	-------------

a).	Annual General Meeting	
	Date and Day:	December 31, 2020, Thursday
	Time	11:00 A.M
	Venue	Through Video Conference
b).	Financial year	April 1st 2020 to March 31st March 2021
c).	Final Dividend Payment	Nil
d).	Listing on stock Exchange	The Company's equity shares are listed on: BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai – 400 001.
e).	Stock code/Symbol	536170/KUSHAL
f).	Registrar and Share Transfer Agent	BIGSHARE SERVICES PRIVATE LIMITED Mumbai Branch: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai, Maharashtra 400059 Tel No.: +91 – 22 – 6263 8200 Fax No.: +91 – 22 – 6263 8299 Email: investor@bigshareonline.com Website: www.bigshareonline.com Ahmedabad Branch: A/802, Samudra Complex ,Near Klassic Gold, Hotel Girish Cold Drink ,Off C.G. Road, Navrangpura, Ahmedabad-380009 Tel: 91-079-40024135 Website: www.bigshareonline.com email: bssahd@bigshareonline.com
g).	Dematerialization of shares and liquidity	As on March 31, 2021, all the Equity shares i.e. 99.99% of the total issued, subscribed and paid-up equity share capital of the Company were held in dematerialized form. The Equity Shares of the Company are regularly traded on the BSE Limited.
h).	Share Transfer System	The Board has authorised Registrar and Share Transfer Agents for processing of share transfers, which has been approved by the Stakeholders Relationship Committee.
i).	Payment of Depository Fees	Annual Custody/Issuer fee for the year 2020-21 has been paid by the Company to NSDL and CDSL
j).	Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity	Nil
k).	Address for correspondence	GF/Q, Mondel Sqre. Opp. Prahaladnagar Garden, S. G. Highway, Ahmedabad, 380015 Gujarat, India. E-Mail: cs@kushallimited.com Website: www.kushallimited.com

ii) MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH IN FINANCIAL YEAR 2020-21

Month	High Price	Low price	No. of Shares Traded/Volume
Apr 20	2.52	1.82	4,42,321

May 20	3.57	2.57q	2,44,266
Jun 20	5.38	3.64	18,72,516
Jul 20	5.48	3.55	8,90,297
Aug 20	4.44	3.07	43,17,500
Sep 20	4.49	3.31	7,37,455
Oct 20	3.66	3.04	5,03,790
Nov 20	3.38	2.89	5,48,699
Dec 20	3.60	2.96	19,99,756
Jan 21	5.52	3.50	17,20,463
Feb 21	7.14	3.71	32,93,692
Mar 21	7.28	4.76	12,16,687

Note: High and low are in rupees per traded share

Source: Websites of the respective stock exchanges, i.e. BSE

SHAREHOLDING PATTERN AS ON MARCH 31, 2021

a) Distribution of shareholding by size class as on March 31, 2021:

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1-500	18280	69.88	2245752	0.91
501-1000	2635	10.07	2155964	0.87
1001-2000	1743	6.66	2705413	1.09
2001-3000	759	2.90	1929351	0.78
3001-4000	429	1.64	1534604	0.62
4001-5000	371	1.42	1737466	0.70
5001-10000	756	2.89	5636979	2.28
10001-9999999999	1188	4.54	229579931	92.75
Total	26161	100.00	247525460	100.00

b) Distribution of shareholding by ownership as on March 31, 2021:

Category	Shares held (No.)	% of holding
Promoter's holding		
Promoters	162603060	65.95
Total (A)	162603060	65.95
Public		
Corporate Bodies	3974520	1.61
Foreign Institutional Investor	0	0

Foreign Portfolio Investor	1422	0
Non-Resident Indians	2088352	0.84
Clearing Members	1507379	0.61
Nationalised Banks	0	0.00
Trusts	2	0.00
Individual Shareholders	77350667	30.99
Total (B)	84922342	34.05
Total (A+B)	247525460	100

c) Shares held in Physical and Dematerialised Form

Breakup of physical and dematerialised shares as on March 31, 2021:

Category	No. of shares held	% of Shareholding
Physical	2	0.00
Demat	247525458	99.99
Total	247525460	100

The Company has formulated a policy for determining material Subsidiaries. The said policy has been also put up on the website of the Company at:

<http://kushallimited.com/files/5-policy-for-determining-material-subsiary-sc5a4dd68e8bca4.pdf>

OTHER DISCLOSURES

a) Reconciliation of Share Capital Audit

As stipulated by SEBI, qualified chartered accountants carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

b) Disclosures of Accounting Treatment

In the financial statements for the year ended March 31, 2021, the Company has followed the treatment as prescribed in the applicable Indian Accounting Standards.

c) Related Party Transactions

During the year there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction policy which has been uploaded on its website at:

<https://www.kushallimited.com/files/policy-on-related-party-transactions-sc5b727c1d9299d.pdf>

The transactions with the companies, where the Directors of the Company were interested, were in the ordinary course of business and were at arm's length basis.

Details of related party information and transactions are being placed before the Audit Committee from time to time. The details of the related party transactions during the year have been provided in Note to the financial statements.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The board periodically reviewed the compliance of all the applicable laws and steps were taken by the company to rectify instances of non-compliance, if any. During the year, the company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the company has also complied with the non-mandatory requirements relating to having regime of financial statements with audit report with unmodified opinion, appointment of separate persons to the post of chairman and managing director and reporting by internal auditor directly to the audit committee

e) Details of Non-Compliance by the Company, Penalties, Stricture Imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authorities or any Matter Related to Capital Markets

The Company has complied with all the requirements of the Stock Exchanges/the Regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to capital markets except mentioned below. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets except mentioned below.

Sr. No.	Action Taken by	Details of violations	Details of action taken e.g. fines, remarks of the warning letter, Practicing debarment, etc.	Action taken by Company
1.	Bombay Stock Exchange ("Exchange")	The Company has submitted Corporate Governance Report with a delay of 9 days for the quarter ended 30 th June 2020.	Fine imposed amounting to Rs. 18000/- + 18% GST vide Stock Exchange email dated 17 th August, 2020	It is Observed that the Company the Company has paid the penalty levied against late submission of Corporate Governance Report, for the quarter ended 30 th June 2020 vide NEFT dated 04 th September, 2020 and have informed the Stock Exchange vide Letter dated 8 th September, 2020 through Email.
2.	Bombay Stock Exchange	The Company has submitted Statement on Investor Complaints with a delay of 2 days for the quarter ended 30 th June 2020.	Fine imposed amounting to Rs. 2000/- + GST @ 18% vide Stock Exchange email dated 21 st August, 2020	It is Observed that the Company has paid the penalty levied against late submission of Statement on Investor Complaints, for the quarter ended 30 th June 2020 vide NEFT dated 04 th September, 2020 and have informed the Stock Exchange vide Letter dated 8 th September, 2020 through Email.

3.	Bombay Stock Exchange	The Company has submitted Shareholding Pattern with a delay of 8 days for the quarter ended 30 th June 2020.	Fine imposed amounting to Rs. 16000/- + GST @ 18% vide Stock Exchange email dated 22 nd August, 2020	It is Observed that the Company has paid the penalty levied against late submission of Shareholding Pattern, for the quarter ended 30 th June 2020 vide NEFT dated 04 th September, 2020 and have informed the Stock Exchange vide Letter dated 8 th September, 2020 through Email.
4.	Bombay Stock Exchange	The Company has not provided prior intimation to Stock Exchange for Board Meeting held on November 11, 2020 for approval of financial results for the quarter and half year ended 30 th September 2020.	Fine imposed amounting to Rs. 10000/- + GST @ 18% vide Stock Exchange vide email dated 14 th January, 2021 and further reminder email dated 1 st February, 2021	It is Observed that the Company has paid the penalty levied against the same vide NEFT dated 1 st February, 2021 and have informed the Stock Exchange vide Letter dated 1 st February, 2021 through Email.
5.	Bombay Stock Exchange	Non-submission of Disclosure of related party transactions on consolidated basis for the half year ended 30 th September 2020	Fine imposed amounting to Rs. 180000/- + GST @ 18% vide Stock Exchange vide email dated 18 th January, 2021	The Company has replied vide Letter dated 1 st February, 2021 through email that requirement of submission of said disclosures was not required, as there were no Related Party Transactions during the half year ended 30 th September, 2020. Therefore, based on the reply submitted by the Company it is noted that there were no related party transactions during the said period so the Company has not submitted the said Disclosure for the half year ended 30 th September 2020. However, no further communication has been received from BSE for waiver of said penalty till the date of this Report.
6.	Bombay Stock Exchange	The Company has not appointed a qualified Company Secretary as the Compliance Officer of the Company.	Fine imposed amounting to Rs. 20000/- + GST @ 18% vide Stock Exchange vide email dated 10 th March, 2021	It is Observed that the Company has paid the penalty levied against the same vide NEFT dated 12 th March, 2021 and have informed the Stock Exchange vide Letter dated 24 th March, 2021 through Email.
7.	Bombay Stock Exchange & Securities and Exchange	Complaint regarding forged appointment as an Additional Director in M/s Kushal Limited received from Mr. Manish Sharma	N.A.	It is Observed that Exchange & SEBI has sought clarification vide email dated 20 th January, 2021 and 4 th February, 2021 respectively with regard to Compliant received from Mr.

	Board of India ("SEBI")			<p>Manish Sharma for his forged appointment as an Additional Director in M/s Kushal Limited.</p> <p>However, the company has replied vide email dated 20th January, 2021 and 8th February, 2021 respectively that appointment of Mr. Manish Sharma has been made on the basis of duly signed declaration and consent to act as Director. Further on account of wrong complaint made, the Company has suspended him from acting as Director of the Company.</p>
--	-------------------------	--	--	--

f) Whistle Blower Policy and Affirmation that no Personnel has been Denied Access to the Audit Committee

The Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express their concerns and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no personnel were denied access to the Audit Committee. The Company has formulated Whistle Blower policy which has been uploaded on its website at:

<https://www.kushallimited.com/files/whistle-blower-policy-sc5b72817c54b63.pdf>

g) Code for Prevention of Insider Trading

The Company has instituted code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down the guidelines which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of the non-compliances and such code on prevention of insider trading has been uploaded on its website at:

<https://www.kushallimited.com/files/code-of-conduct-insider-trading-w-e-f-april-01-2019-sc5cefbb3fedc86.pdf>

h) Code of Conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board members and the Senior Management Personnel of the Company. The Code of conduct is available on the Company's website www.kushallimited.com.

The code of conduct was circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended March 31, 2021. A declaration to this effect signed by the Chairman & Managing Director is given below:

"I, Yogeshkumar Patel, Chairman and Managing Director of the company, do hereby confirm that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel and they have complied with the Code of Conduct of the company for the Financial Year 2020-21."

i) Disclosures of Requirements of Corporate Governance specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46

The company is in compliance with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (listing regulations) for the financial year ended on March 31, 2021, to the extent applicable.

j) Compliance certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance

A certificate from statutory auditors of the company regarding compliance of conditions of corporate governance is annexed herewith to the Report on Corporate Governance in the Annual Report.

k) Disclosures with respect to demat suspense account/ unclaimed suspense account – Not Applicable

For and on Behalf of the Board

Mr. Yogeshkumar Patel
(Chairman and Managing Director)
(DIN: 03504954)

Place: Ahmedabad
Date: November 09, 2021

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Kushal Limited

We have examined the compliance of conditions of Corporate Governance by Kushal Limited, for the year ended on 31st March 2021, as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said regulation. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable.

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

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For S.V.Sojitra & Co.
Chartered Accountants

CA Sanjay Sojitra
Proprietor
Membership No. 135239
FRN No. 139013W

Date: November 09, 2021
Place: Ahmedabad

MANGING DIRECTOR AND CFO COMPLIANCE CERTIFICATE

(Pursuant to regulation 17(8) of the SEBI(Listing Obligations and Disclosure Requirements)
Regulations, 2015)

We, Yogeshkumar Patel as Managing Director and Jitendra Yadav being as Chief Financial Officer, hereby certify that:

- A)** We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B)** There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate of the listed entity's code of conduct.
- C)** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D)** We have indicated to the Auditors 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 they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over Financial Reporting.

FOR KUSHAL LIMITED

Sandeep Agrawal
Managing Director
(DIN: 03504954)

Jitendra Yadav
Chief Financial Officer

Date: November 09, 2021
Place: Ahmedabad

UDIN: 21135239AAAAHM7242

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF,
KUSHAL LIMITED,
AHMEDABAD**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **KUSHAL LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income, if any), the Cash flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid Ind AS financial statements give the information required by the Act in the manners or 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 31stMarch,2021, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under.
 - (e) On the basis of the written representations received from the directors as on 31stMarch, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" to this report;
 - (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. During the year, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. V. Sojitra & Co.
Chartered Accountant

(Sanjay V. Sojitra)
Proprietor
Membership No. 135239
FRN NO. 139013W

Place : Ahmedabad
Date : June 29,2021

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT ON THE INDAS FINANCIAL STATEMENTS OF KUSHAL LIMITED

(Referred in paragraph 1, under "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i)
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

As the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, following points are not applicable incidental to that.

- (a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;
- (b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;
- (c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing securities and guarantees.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) Maintenance of cost records specified by the central government under section 148(1) of the Companies Act, 2013 is not applicable to the company.
- (vii)
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Goods and Services Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.
 - (b) According to information and explanation given to us, there are no disputed amounts payable in respect of provident fund, sales tax, Goods and Services Tax or service tax or duty of customs or duty of excise or value added tax and other statutory dues were outstanding, at the year end, for the period of more than six months from the date they become payable.

- (c) Details of dues of income tax which have not been deposited on March 31, 2021 on account of disputes as follows:

Name of the statute	Nature Of Dues	Amount (in Lakh)	Period to which the amount relates (AY)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	18.30	2007-08	Applied for Vivad Se Vishwas Scheme
Income Tax Act, 1961	Income Tax	1.37	2008-09	Response awaited from CPC to the clarifications submitted.
Income Tax Act, 1961	Income Tax	2.46	2009-10	Applied for Vivad Se Vishwas Scheme
Income Tax Act, 1961	Income Tax	82.84	2010-11	Applied for Vivad Se Vishwas Scheme
Income Tax Act, 1961	Income Tax	371.25	2012-13	Appeal pending with CIT(A).
Income Tax Act, 1961	Income Tax	0.30	2013-14	Response awaited from CPC to the clarifications submitted.
Income Tax Act, 1961	Income Tax	120.64	2016-17	Response awaited from CPC to the clarifications submitted.

Income Tax Department and Goods and Service Tax Departments carried out search at Registered Office of the company. Investigation Proceedings for both the departments are not yet concluded.

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) According to information and explanation given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). Moreover, the company has not taken term loans during the year.
- (x) There is no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanation given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable Indian Accounting Standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review hence, reporting requirements under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013 and hence reporting under clause (xv) of paragraph 3 of the Order is not applicable to the company.
- (xvi) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to the Company.

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT ON THE IND AS FINANCIAL STATEMENTS OF KUSHAL LIMITED

(Referred in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report 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 **KUSHAL LIMITED** ("the Company") as of 31st March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 financial controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company;(2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and;
(3)providereasonableassuranceregardingpreventionortimelydetectionofunauthorisedacquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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 over financial reporting andsuchinternalfinancialcontrolsoverfinancialreportingwereoperatingeffectivelyasat31stMarch 2021, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. V. Sojitra & Co.
Chartered Accountant**

**(Sanjay V. Sojitra)
Proprietor
Membership No. 135239
FRN NO. 139013W**

**Place : Ahmedabad
Date : June 29,2021**

STANDALONE BALANCESHEET AS AT 31ST MARCH 2021

(₹ In Lakh)

Particulars		Notes	As at 31st March, 2021	As at 31st March, 2020
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant & Equipment	3	140,999.73	145,491.32
	(b) Goodwill		6,105.59	6105.59
	(c) Financial Assets			
	(i) Investments	4	41.12	76.73
	(ii) Loans & Advances		-	-
	(d) Other Non-Current Assets	5	-	52.97
	Total Non-Current Assets (1)		147,146.45	151,726.61
2	Current Assets			
	(a) Inventories	6	-	9,721.08
	(b) Financial Assets			
	(i) Trade Receivables	7	1,285.86	1,079.47
	(ii) Cash and Cash Equivalents	8	43.66	124.44
	(iii) Loans & Advances	9	1,027.19	3,551.09
	(c) Other Current Assets	10	394.06	381.83
	Total Current Assets (2)		2,750.77	14,857.91
	TOTAL ASSETS (1+2)		149,897.21	166,584.52
B	EQUITY AND LIABILITIES			
3	Equity			
	(a) Equity Share Capital	11	6,741.81	6,741.81
	(b) Other Equity	12	106,370.62	115,681.52
	Total Equity (3)		113,112.43	122,423.33
4	Liabilities			
	Non-Current Liabilities			
	(a) Provisions	13	28.47	28.49
	(b) Deferred Tax Liabilities (Net)	14	9.55	349.55
	(c) Borrowings	15	7,500.00	8,366.39
	(d) Other Long Term Liabilities		15,420.64	15420.65
	Total Non-Current Liabilities (4)		22,958.66	24,165.08
5	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	0.00	1587.99
	(ii) Trade Payable	17	1,234.49	1,349.31
	(b) Other Current Liabilities	18	12,591.63	17,058.83
	(c) Current Tax Liabilities		-	-
	Total Current Liabilities (5)		13,826.12	19,996.13
	TOTAL EQUITY AND LIABILITIES (3+4+5)		149,897.21	166,584.52

For, S.V. Sojitra & Co.
Chartered Accountants

For and on behalf of the board of
KUSHAL LIMITED

Sanjay V. Sojitra
Proprietor
Membership No. 135239
FRN No: 139013W
UDIN: 21135239AAAAM7242
Place: Ahmedabad
Date: 29/06/2021

YOGESH PATEL
MANAGING DIRECTOR
(DIN: 03504954)

STATEMENT OF STANDALONE PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2021

(₹ In Lakh except per share data)

Particulars	Notes	Year Ended	
		31 Mar'21	31 Mar'20
1 Revenue from Operations	19.00	841.54	18,055.95
2 Other Income	20.00	-	249.77
3 Total Revenue (1+2)		841.54	18,305.72
4 Expenses			
(a) Purchases of Merchandise	21.00	91.90	10,363.10
(b) Changes in Inventories	22.00	9,721.08	1,098.02
(c) Cost of Material Consumed	23.00	0.12	208.19
(d) Film Production Expenses		-	-
(e) Employee Benefit Expenses	24.00	51.97	409.74
(f) Finance Costs	25.00	1.13	537.50
(g) Depreciation and Amortisation Expenses		-	945.75
(h) Other Expenses	26.00	286.16	12,784.91
Total Expenses		10,152.44	26,347.21
5 Profit / (Loss) Before Tax (3 - 4)		(9,310.90)	(8,041.49)
6 Tax Expense:			
(a) Current Tax Expense for Current Year (Provisions)		-	-
(b) Less: MAT Credit (where applicable)		-	-
(c) Current tax Expense relating to Prior Years		-	-
(d) Net Current Tax Expense		-	-
(e) Deferred Tax Provision		-	-
Total Tax Expenses		-	-
7 Net Profit / (Loss) for the period (5-6)		(9,310.90)	(8,041.49)
8 Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income Tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income		-	-
9 Total Comprehensive Income (7+8)		(9,310.90)	(8,041.49)
10 Earnings Per Share (Face Value of Rs.2/- each) (Not Annualised)			
(a) Basic		-3.76	-3.25
(b) Diluted		-2.77	-2.39
11 Paid Up Equity Share Capital		6,741.81	6,732.81
12 Other Equity excluding Revaluation Reserves		27,643.79	35,593.68

For, S.V. Sojitra & Co.
Chartered Accountants

For and on behalf of the board of
KUSHAL LIMITED

Sanjay V. Sojitra
Proprietor
Membership No.135239
FRN No:139013W
UDIN: 21135239AAAAHM7242
Place: Ahmedabad
Date: 29/06/2021

YOGESH PATEL
MANAGING DIRECTOR
(DIN: 03504954)

STATEMENT FOR CASHFLOW FOR YEAR ENDED 31ST MARCH 2021		
Particulars	For The Year ended March 31, 2021	For The Year ended March 31, 2020
Cash Flow from Operating Activities		
Net profit Before Tax as per Statement of Profit and Loss	-9310.90	-8041.49
Operating Profit Before Working Capital Changes	-4309.77	7942.98
Adjustment for working capital changes and others	5937.13	6830.80
Net Cash generated from/ (Used in) Operating Activities	1627.35	14773.78
Net Cash Flow from/ (Used in) Investing Activities	0.00	-3585.15
Cash Flow from Financing Activities	-1708.13	-11554.88
Net Increase/ (Decrease) in Cash & Cash Equivalents	-80.78	-366.25
Cash & Cash Equivalents at the beginning of the Year	124.43	490.69
Cash & Cash Equivalents as at the end of the Year	43.66	124.43

For, S.V. Sojitra & Co.
Chartered Accountants

For and on behalf of the board of
KUSHAL LIMITED

Sanjay V. Sojitra
Proprietor
Membership No. 135239
FRN No: 139013W
UDIN: 21135239AAAAHM7242
Place: Ahmedabad
Date: 29/06/2021

YOGESH PATEL
MANAGING DIRECTOR
(DIN: 03504954)

NOTES FORMING PART OF THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. Corporate Information

Kushal Limited (KL) is a Public Company listed on BSE platform, domiciled in India, incorporated under Companies Act, 1956. The registered office of the company is located at Plot No. 43, B/S Navneet Prakashan, Sukhramnagar, Gomtipur, Ahmedabad-380023, Gujarat, India. The company is engaged in the business of Manufacturing of Paper and Paper Products, Trading and selling of various kinds of Merchandise.

2. Summary of Significant Accounting Policies

A. Basis of Preparation and Presentation

The financial statements have been prepared on the Historical Cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

These financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as the 'IndAS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

B. Inventories

Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

C. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Expenses incurred on asset, net of income earned during the development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Depreciation on property, plant and equipment is provided using straight line method.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

D. Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Whether a lease is a finance lease or an operation lease depends upon the substance of transaction rather than the form.

E. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net off charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

F. Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

G. Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. If the outflow is no longer probable, provision is reversed to Income.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is not recognized but is disclosed, unless the possibility of outflow of economic resources is remote.

Contingent Assets are not recognized but disclosed where an inflow of benefits is probable.

I. Employee Benefits

➤ Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

➤ Post-Employment Benefits

- **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and ESIC. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

- **Defined Benefit Plans**

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. Provision for Gratuity is made @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972. Provision for gratuity is made without the actuarial valuation.

J. Income Taxes

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

- Current tax

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

- Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

K. Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction (average rate is used when they are a reasonable approximate of actual).

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

Non-monetary items carried at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

L. Revenue Recognition

Sale of Goods

Revenue from sale of goods is recognized when

- the significant risks and rewards of ownership have been transferred to the buyer,
- it is probable that the economic benefits associated with the transaction will flow.
- the cost incurred or to be incurred in respect of the transaction can be measured reliably,
- there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Rendering of Services

Revenue from rendering of services is recognized when the outcome of a transaction can be measured reliably, revenue associated with the transaction shall be recognized with reference to the stage of completion of the transaction at the end of reporting period. When the outcome of the transaction involving rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from a financial asset is recognized using effective interest rate method.

Dividend Income

Revenue is recognized when the Company's right to receive the dividend has been established.

M. Financial Instruments

Financial Assets

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

Investment in Subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

Financial Liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

N. Earnings Per Share

Basic EPS is calculated by dividing profit or loss attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding during the reporting period.

Dilutive EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

As per Indian AS 33-Earning Per Share, Company has calculated Basic Earning Per Share on the basis of number of equity shares (incl. equity shares issued pursuant to amalgamation referred to above) and Diluted Earning Per Share on the basis of Shares and Share Warrants to be issued pursuant to the Resolution Plan approved by NCLT, Ahmedabad referred to above.

O. Cash Flows

Cash and cash equivalent comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes. Investment having maturity of three months or less is classified as cash equivalents.

Cash flows are analyzed using indirect method into following three activities:

- a. Operating activities
- b. Investing activities
- c. Financing activities

P. Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are approved by the board of directors.

Events that provide evidence of conditions that existed at the end of the reporting period are classified as adjusting events after the reporting period.

Events that are indicative of conditions that arose after the reporting period are classified as non-adjusting events.

Q. Previous year's figure have been recast, regrouped and rearranged, wherever necessary to confirm to this year's classification.

Notes on the Standalone Ind AS Financial Statements for the Year Ended on 31st March, 2021

Note 4 Non-current Investments

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Quoted Shares	36.12	36.13
Investment Properties	0.00	35.60
Investment in Subsidiaries	5.00	5.00
Total	41.12	76.73

Note 5 Other Non-current Assets

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unamortised Preliminary Expenses	0	52.97
Total	0	52.97

Note 6 Inventories

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Stock in Trade	0	7872.68
Cost of Under Production film	0	0
Raw Material	0	0
Finished Goods	0	0
Land	0	0
Work in Process	0	1848
Total	0	9721.08

Note 7 Trade Receivables

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	1285.86	1079.47
Total	1285.86	1079.47

Note 8 Cash and Cash Equivalents

(₹ In Lakh)

Particulars	As at March 31,	
	2021	2020
Cash and Cash Equivalents		
Cash on hand	4.88	2.19
Balances with banks in Current Accounts	38.78	122.25
Balance earmarked for Unclaimed Dividend	0.00	0.00
In Deposit Accounts	0.00	0.00
Total	43.66	124.44

Note 9 Short Term Loans and Advances

(₹ In Lakh)

Particulars	As at March 31,	
	2021	2020
Prepaid Expenses	0.50	42.36
Balance with Government Authorities	791.66	2084.24
Advance to Suppliers	74.52	0.00
To Related Parties	0.00	0.00
To Deposits	25.77	639.71
Other Advances	133.36	712.66
Advance to Employee	1.38	2.71
Total	1027.19	3481.68

Note 10 Other Current Assets

(₹ In Lakh)

Particulars	As at March 31,	
	2021	2020
Amounts due from Subsidiaries	0.63	0.63
Commission charged to Wholly Owned Subsidiary for SBLC	0.00	0.00
Interest Accrued but not Due	0.00	0.00
Other Current Assets	393.42	381
Dividend Receivable from WOS	0.00	0
Interest Receivable	0.00	0.00
Total	394.05	381.83

Note 11 Equity Share Capital

(₹ In Lakh)

Particulars	As at March 31, 2021	
	Number of shares	Amount
(a) Authorised Equity Shares of Rs. 2 each with Voting Rights	250000000	5000
(b) Issued , Subscribed and Paid Up Equity Shares of Rs. 2 each with Voting Rights	238166610	6741.81
Total	238166610	6741.81

Note 12 Other Equity

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Securities Premium		
Opening Balance	43675.26	43675.26
Add : Premium on Shares issued during the Year		
Less : Utilised during the Year (Issue Of Bonus Share - Capitalisation of Reserves)		
Closing Balance	43675.26	43675.26
(b) Retained Earnings		
Opening Balance	-6997.66	1535.08
Add: Profit / (Loss) for the Year	-9310.90	-8532.74
Less: Interim Dividend During The Year		
Less: Issue of Bonus shares- Capitalised for the issue of bonus shares		
Less: Dividend Distribution Tax		
Closing Balance	-16308.56	-6997.66
(c) General Reserve		
Opening Balance	1.08	1.08
Add: Addition during the Year	NIL	NIL
Less : Utilised during the Year	NIL	NIL
Closing Balance	1.08	1.08
(c) Capital Reserve		
Opening Balance	79002.85	79002.85
Add: Addition during the Year		
Less : Utilised during the Year		
Closing Balance	79002.85	79002.85
Total	106370.62	115681.53

Note 13 Long Term Provisions

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	28.47	28.47
Total	28.47	28.47

Note 14 Deferred Tax Liabilities (Net)

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities	9.55	349.55
Total	9.55	349.55

Note 15 Long-term Borrowings

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Mortgage Loan	0	0
Term Loans from banks	0	0
Loans and advances from related parties	0	866.39
Debenture Suspense Account	7500	7500
Total	7500	8366.39

Note 16 Short-term Borrowings

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
From Banks		
Working Capital Facilities	0	1587.99
Total	0	1587.99

Note 17 Trade Payables

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Acceptances	0	0
Other than Acceptances	1234.49	1349
Total	1234.49	1349.31

Note 18 Other Current Liabilities

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	0.25	142.09
Payable for Expenses	2.21	8.80
Advance from Customers	22.18	1123.68
Deposit	0.00	102.40
Unclaimed Dividend	0.00	0.00
Amounts due to Subsidiaries	0.00	0.00
Current maturities of Long Term debts	0.00	0.00
Other Current Liabilities	12566.75	15681.68
Balance in Bank Account(Cheque issued but not deposited)	0.25	0.00
Total	12591.63	17058.65

Note 19 Revenue from Operations

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Sale of various Merchandise	693.38	17757.14
(b) Other Operating Income (Refer Note 21(i) below)	148.17	298.81
Total	841.54	18055.95

Note 19(i)

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Other Operating income comprises:		
Claim from/to Suppliers/Customers (Net)	0	6.28
Franchise Fees	0	0.00
Rate Differences/Discount/Interest on Delay Payment	0	10.87
Recovery from Customers towards various Charges	0	0.00
Round off/ Kasar & Vatav	1	0.02
Duty Drawback Income	0	0.45
Other Income	0	0.00
MEIS License Sale (Duty Credit Script)	0	4.66
Business Development Services	0	3.38
Other Services	146	273.16
Total	148.17	298.82

Note 20 Other Income

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on FDRs	0	7.94
Dividend from WOS	0	0.00
Net Gain/(Loss) on Sale of Fixed Assets & Investments	0	179.02
Rent Income	0	30.00
Foregin Exchnage Gain/(Loss)	0	12.40
Other Income	0	20.42
Total	0	249.78

Note 21 Purchase of Merchandise

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Purchase of various Merchandise	91.90	10363.10
Total	91.90	10363.10

Note 22 Changes in Inventories

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<u>Inventories at the end of the year:</u>		
Stock in Trade/ Finished Goods	0.00	9721.08
Cost of under production film	0.00	0.00
Total	0	9721
<u>Inventories at the beginning of the year:</u>		
Stock-in-Trade	9721.08	10819.10
Cost of under production film	0	0
Total	9721.08	10819.10
Net (Increase) / Decrease	9721.08	1098.02

Note 23 Cost of Material Consumed

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cost incurred during the year	0	208
Total	0.12	208.19

Note 24 Employee Benefit Expenses

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and Bonus	21.47	355.42
Managerial Remuneration	26.56	33.00
Contributions to Provident Fund	3.82	15.64
ESIC Expenses	0.12	0.54
Gratuity	0.00	2.28
Staff Welfare Expenses	0.00	2.86
Total	51.97	409.74

Note 25 Finance Costs

(₹ In Lakh)

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Interest Expense on:		
(i) Borrowings	0.00	507.46
(ii) Other Interest	0.13	0.03
(b) Other Borrowing Costs (Refer note 25(i) below)	1.00	30.00
Total	1.14	537.49

Note 25(i) Other Borrowing Cost

(₹ In Lakh)

PARTICULARS		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Bank Charges	1.96	13.31
Loan Processing Fees	0.00	0.00
Loan franking Expense	0.00	0.00
Other Finance Charges	0.00	16.69
Foreign Exchange Loss	0.47	0.00
Total	2.43	30.00

Note 26 Other Expenses**(₹ In Lakh)**

Particulars		
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Factory, Godown and Other Direct Expenses	22.34	2323.08
Export Expenses	0.00	0.00
Bad Debts	0.00	0.00
Insurance Expenses	1.00	23.50
Audit Fees (Statutory Audit & Tax Audit)	0.00	0.00
Electricity Expenses	1.99	1413.81
Foreign Exchange Losses (To the extent not considered as Finance Cost)	0.00	0.00
Municipal Expenses	0.00	6.10
Preliminary Exp. Write Off	52.97	0.00
Repairs & Maintenance	6.63	21.18
Vehicle Repair & Fuel Expenses	11.23	53.38
Rent Expenses	1.24	0.31
Professional & Consultancy Fees	22.40	64.42
Advertisement Expenses	1.06	20.88
Travelling Expenses	0.32	17.48
Loss on Sale of Fixed Assets	0.00	8569.58
Annual Listing Fees(CDSL)	4.32	
Other Expenses	155.88	271.13
Claim from/to Suppliers/Customers (Net)	4.80	
Total	286.17	12784.85

Note 27 Related Party Disclosures

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and relationships:

Sr. no.	Name of Related Party	Relationship
1	Sandeep Agrawal	Director
2	Manoj Agrawal	Director
3	Kushal Agrawal	Director
4	CS Shivangi shah	Key Managerial Personnel (KMP)
5	Jitendrayadav	Key Managerial Personnel (KMP)

Transactions during the year with related parties:

(Amount in Lakh)

Sr. No.	Name of Related Party	Nature of Transaction	2020-21	2019-20
1	Sandeep Agrawal- Managing Director	Managerial Remuneration	13.50	18.00
2	Manoj Agrawal- Executive Director	Managerial Remuneration	6.75	9.00
3	Kushal Agrawal- Executive Director	Managerial Remuneration	4.50	6.00
4	Jitendra Yadav-	Salary	5.86	5.86

Note: 28

Income Tax Department and Goods and Service Tax Department carried out search at Registered Office of the company. Investigation Proceedings for the both the departments are not yet concluded.

Note: 29

The company has held one of the plant named "Rainbow Paper Limited" as "Held for Sale" as on March 31, 2021 due to various litigations which were going on and hence it is been proposed by Board of Directors to transferred back the said plant to the corporate debtors.

As per Ind AS 105, the respective line items in the statement of financial position as on 31st March, 2021 includes following amounts pertaining to the Disposal group identified as "Held for Sale" due to reason of litigation.

Particulars	Amount in Lakhs
Property, Plant & Equipment	140900.00
Equity Share Capital	1782.31
Other Equity	101237.11
Borrowings	7500.00
Other Long Term Liabilities	15420.64
Other Current Liabilities	12563.85

Note: 30

During the Year ended 31st March, 2020, the company had disposed of its subsidiary companies named Kushal Impex Pte Limited, Singapore and Kashish Worldwide FZE, UAE and hence consolidated financial statement has not been prepared for the financial year ended 31st March, 2021.

**For S. V. Sojitra & Co.
Chartered Accountant**

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

**Sanjay V. Sojitra
Proprietor
Membership No. 135239
FRN NO. 139013W**

**KUSHAL AGRAWAL
Director
(DIN: 03043294)**

**Manoj Agrawal
Director
(DIN:00225494)**

**Place :Ahmedabad
Date : June 29,2021**

**CS Shivangi Shah
Company Secretary**

**Jitendra Yadav
Chief Financial Officer**