



December 08, 2020

To,
Corporate Relationship Department
BSE Limited,
14th Floor, P J Towers, Dalal Street, Fort,
Mumbai – 400 001.

Dear Sir,

Sub: 2nd Annual Report for the Financial Year 2019-20

Ref: Anand Rayons Limited. (Security Id/Code: ARL/542721)

Pursuant to Regulation 34 (1)(a) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the soft copy of 2nd Annual Report of the Anand Rayons Limited for the financial year 2019-20 along with the notice of 2nd Annual General Meeting of the Company scheduled to be held on Wednesday, 30th December, 2020 At 03:00 P.M, through Video Conference Mode.

We wish to inform you that the 2nd Annual General Meeting of the Company will be held on Wednesday, 30th December, 2020 at 3:00 p.m. (IST) through Video Conferencing (VC)/ other Audio Visual Means (OAVM).

In accordance with the circular No. 17 /2020 issued by the Ministry of corporate Affairs ('MCA') dated 13th April 2020 and circular no, SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (SEBI) the Notice convening the 2nd AGM and the Annual Report for the financial year 2019-2020 have been sent only through Electronic mode to all the members whose E-mail ID are registered with the Company/RTA/Depository participant(s),

Kindly take same on your record and oblige us.

Thanking you,

Yours faithfully
For Anand Rayons Limited

A handwritten signature in black ink, appearing to read 'Rahul Makwana', is written over a light blue circular stamp.

Rahul Makwana
Company Secretary and Compliance Office



ANAND RAYONS LIMITED

Registered Office: 305-306, Jay Sagar Complex, B/h. Sub Jail, Khatodara, Surat -395 002. Ph : +91-261-4005667
Web Site: www.anandrayons.com, Email: -info@anandrayons.com, anandrayonsltd@gmail.com, CIN: L51909GJ2018PLC104200



2nd Annual Report 2019-20

REGISTERED OFFICE

305-306, Jay Sagar Complex,
Opp. Sub Jail, Khatodara, Surat-395 002

Tel No : +91-261- 2635521

Web Site :www.anandrayons.com

Email :- anandrayonsltd@gmail.com, cs@anandrayons.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anand Bakshi	Chairman & Managing Director
Mrs. Shilpa Bakshi	Whole Time Director
Mrs. Hema Mishra	Non Executive Director
Mr. Jayant Mankad	Independent Director
Mr. Nilesh Bodiwala	Independent Director

Mr. Rahul Makwana Company Secretary	Mr. Chetan Desai Chief Financial Officer
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Statutory Auditor	Internal Auditor	Secretarial Auditor
M/s M.R. Bombaywala & Co, Chartered Accountants, Surat.	M/s Sutarwala & Associates Chartered Accountants, Surat.	M/s Alpesh Dhandhaliya & Associate, Company Secretary, Ahmedasbad

Registrar & Share Transfer Agent Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059 Tel No.: 022 62638200 Fax No.: 022 62638299 Email Id: bssahd@bigshareonline.com	Bankers HDFC Bank State Bank of India
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CIN: L51909GJ2018PLC104200

TO MEMEBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government members who have not registered their e-mail addresses, are requested to register their e-mail addresses with the RTA Bigshare Services Private Limited, Mumbai, by an E-mail or Letter. Members are requested to bring this copy with them at the meeting as no copies shall be distributed at the meeting again

REGISTERED OFFICE

305-306, Jay Sagar Complex, Opp. Sub Jail, Khatodara, Surat-395 002

Tel No : +91-261- 2635521

Web Site :www.anandrayons.com

Email :- anandrayonsltd@gmail.com, cs@anandrayons.com Contact Person:- Mr. Rahul Makwana

CHAIRMAN'S MESSAGE

Dear Stakeholders,

It gives me immense pleasure to present to you the Annual Report for 2019-20. To begin with, I hope every one of you and your family is well and healthy. In these challenging times, it is more important than ever before to remain vigilant in safeguarding the health and well-being of the team while reliably supplying products to our customers.

The year has been encouraging as your Company Anand Rayons Limited at milestone with the IPO and listing BSE Limited (Bombay Stock Exchange-SME platform).

The year under review had a decent volume and low profit despite the macro-environment headwinds and general slowdown of the economy, not just in India but across the globe. The sluggishness of the market's response leads to squeezed margins and inventory piles up in downward price trends of raw materials.

We at Anand Rayons Limited persistently aspire to retain the benchmark of quality, customer centric approach, robust engineering, in-house research & mapping, timeless values and transparency in all spheres of business conduct which contribute in making us a pioneer and renowned in textile industry.

We intend to purge all distractions that interfere in our business. We concentrate on establishing credibility, building relationships and execute our plans to perfection in our venture to provide outstanding service. Last but not the least, we endeavour to maintain a long lasting relationship with our honoured clients.

FY 20 & 21 will be full of challenges across all Industries due to Covid 19. Industries across the globe has witnessed economic slowdown resulted into reduced revenues and profits due to reduced Demand. However, as the situation gets normalised, Industries will gradually set to normal. Despite of the challenges faced by the company due to Covid scenario, we are ready for the accelerated growth by expected pickup in demand from user industries and margin expansion. In the present fiscal we will benefit from gradual growth in market demand as the Covid scenario eases.

I appreciate the confidence and faith reposed by the shareholders in the Board and the Management team which has, in my view, geared up to take on more challenges. I can say with confidence the Company will improve its performance further in the coming years. This is however only possible through tireless efforts; dedication and commitment of our team who have helped us reach where we are now and look forward to their continued commitment in the journey forward.

On behalf of Board of Directors we would like to sincerely thank our all stakeholders- customers, employees, suppliers, partners and investors for their continuing support confidence in us.

Sd/-

Mr. Anand Bakshi
(Chairman & Managing Director)

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NOTICE OF 2ND ANNUAL GENERAL MEETING.

Notice is hereby given that the 2nd Annual General Meeting of the Company will be held at 305-306, Jay Sagar Complex, Opp. Sub Jail, Khatodara, Surat-395002, on Wednesday, December 30, 2019 at 03.00 P.M. to consider and transact the following businesses;

(A) ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the company including Audited Balance Sheet as at March 31, 2020, the statement of Profit & Loss Account for the financial year ended as on the date and the Cash flow Statement together with the report of the Board of Directors & Report of Auditors thereon.
2. To appoint a Director in place of Mrs. Hema Mishra (DIN: 08273565), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Hema Mishra (DIN: 08273565), who retires by rotation at this meeting be and is hereby appointed as a Director (Non Executive) of the Company, liable to retire by rotation.”

**BY ORDER OF THE BOARD,
ANAND RAYONS LIMITED**

Registered Office:
305-306 Jay Sagar
Complex Opp. Sub jail
Khatodara,
Surat- 395002

Sd.
Rahul Makwana
Company Secretary and
Compliance Officer

Place: Surat
Date: December 06, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per Note no. 25.
2. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
3. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorise their representatives to participate and vote at the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
5. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
6. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to cs@anandrayons.com.
7. The Register of Members and the Share Transfer Books in respect of the Equity Shares will remain closed from Wednesday, December 23, 2020 to Tuesday, December 29, 2020 (both days inclusive) for the purpose of AGM.
8. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Central Depository Services (India) Limited (“CDSL”) in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. December 22, 2020, may cast their vote either by remote e-voting as well as e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 22.
9. The Notice of 2nd AGM and the Annual Report of the Company for the year ended March 31, 2020 is uploaded on the Company’s website www.anandrayons.com and may be accessed by the members and will also be available on the website of the Stock Exchange i.e. BSE Limited, bseindia.com and respectively and on the website of CDSL.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant for communication purposes. Printed copy of the Annual Report (including the Notice) is not being sent to the members in view of the e-AGM circulars.

10. M/s Alpesh Dhandhaliya & Associate, Practicing Company Secretary has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.
11. The Scrutinizer shall submit a consolidated Scrutinizer's Report (votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting. The result declared along with the consolidated Scrutinizer's Report shall be simultaneously placed on the Company's website www.armanindia.com and on the website of CDSL and communicated to the BSE Limited .
12. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
13. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on cs@anandrayons.com atleast 10 days before the date of the meeting to enable the management to respond quickly.
14. SEBI vide its circular dated June 8, 2018 amended Regulation 40 of the Listing Regulation pursuant to which requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode
15. SEBI vide its circular dated April 20, 2018, directed all the listed companies to record the Income Tax PAN and bank account details of all their shareholders holding shares in physical form. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest.
16. Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the Company's Registrars and Transfer Agent (RTA). In case any unclaimed Dividend Warrant is lying with any member, the same should be forwarded to RTA for revalidation.

During the year, the Company has requested those members, whose dividends for previous financial years remaining unclaimed / unpaid, for claiming said dividend amount before transfer thereof to Investor Education and Protection Fund (IEPF).

Members are requested to note that dividends not encashed or claimed within seven years from the thirty days of declaration of dividend, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.

Further, provisions of Section 124 of the Companies Act, 2013 read with Rule 6 of IEPF Rules as amended, inter alia, mandates the Company to transfer all such shares, in respect of which dividend have not been paid or claimed for seven consecutive years or more, to the demat account of IEPF Authority.
17. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH- 13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant
18. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
19. With a view to conserve natural resources, we request Members to update and register their email addresses with their Depository Participants (DPs) or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically. Members holding shares in Physical mode may register their email id by providing necessary details like Folio No., Name of Member(s) and self attested scanned copy of PAN card or Aadhar Card by email to cs@anandrayons.com

20. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.
21. The helpline number regarding any query / assistance for participation in the AGM through VC / OAVM are 0261-4005667.
22. Voting process and instruction regarding remote e-voting

Section A: Voting Process

Members should follow the following steps to cast their votes electronically

Step 1: Open the web browser during the voting period and log on to the e-voting website www.evotingindia.com.

Step 2: Click on “Shareholders” to cast your vote(s).

Step 3: Please enter User ID

- i. For account holders in CDSL: Your 16 digits beneficiary ID.
- ii. For account holders in NSDL: Your 8 Character DP ID followed by 8 digits Client ID.
- iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 4: Enter the Image Verification as displayed and Click on “Login”.

Step 5: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on “FORGOT PASSWORD” and enter the details as prompted by the system.

Step 6: Follow the steps given below if you are first time user:

- i. holding shares in physical form
- ii. holding shares in demat form

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The sequence number is printed on the Address sticker in case of the dispatch of the Annual Report through physical mode and mentioned in the covering e-mail in case of dispatch of soft copy.
DOB	Enter the Date of Birth (“DOB”) as recorded in your demat account or in the Company records in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio no. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company, please enter the DP ID and Client ID / folio number in the Dividend Bank details field as mentioned in Step 3.

Step 7: After entering these details appropriately, click on “SUBMIT” tab.

Step 8: Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step 9: For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 10: Click on the EVSN for the ARMAN FINANCIAL SERVICES LIMITED on which you choose to vote.

Step 11: On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step 12: Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step 13: After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Step 14: Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

Section B: Other instruction regarding remote e-voting:

- a) The voting period begins on December 27, 2020 from 09:00 A.M. and ends on December 29, 2020 upto 05:00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. December 22, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Non – Individual Shareholders and Custodians (i.e. other than Individuals, HUF, NRI etc.) are additionally required to note and follow the instructions mentioned below:
 - They are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote
- c) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to upload the following in PDF Format in the system for the scrutinizer to verify the same
 - Copy of Board resolution (where institution itself is voting)
 - Power of Attorney issued in favour of the Custodian as well as the Board resolution of the Custodian
- d) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or contact Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N. M.

Joshi Marg, Lower Parel (East), Mumbai - 400013 or write an email to helpdesk. evoting@cdslindia.com or calling on 022-23058738 or 022-23058543 or 022-23058542 during working hours on all working days.

23. Voting process and instruction regarding e-voting at AGM are as under:

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

24. Instruction for members for attending the AGM through VC / OAVM are as under:

- Member will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
- Members are encouraged to join the Meeting through Laptops / IPads for better experience. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- For ease of conduct, Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at cs@anandrayons.com.
- The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@anandrayons.com. These queries will be replied to by the company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. Further the shareholders will be required to allow the camera for participation in the meeting as speaker.

25. Details of the Directors seeking appointment / re- appointment at the 2nd (Second) Annual General Meeting Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard-2 are provided below:

Information Pursuant to the Listing Regulations and Secretarial Standards in Respect of Directors Retiring by Rotation

Details of Director Seeking Re-appointment at the Annual General Meeting

(Pursuant to Regulation 36(3) of SEBI (LODR), Regulations, 2015)

1) Name of Directors	Ms. Hema Mishra (DIN: 08273565),
2) Age	48 Year
3) Qualification	MBA
4) Date of first Appointment on the Board	November 05, 2018
5) Experience	Ms. Hema Mishra, is the Non-Executive Director of the Company. She has more 25 years of experience in the experience in the field of

	Finance & Accountancy.
6) List of Companies in which holds directorship as on 31.3.2020	Anand Rayons Limited
7)Chairman/member of the Committee as on 31.03.2020	Nomination & Remuneration Committee
8)Inter-se Relationship with other Directors.	Sister of Managing Director Mr. Anand Bakshi
9)Shareholding in Company	175542 Equity Shares

26. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with Vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were re-appointed at the 1st Annual General Meeting, held on September 30, 2019 and are eligible to hold their office until conclusion of 6th Annual General Meeting.
27. Explanatory Statement under section 102 (1) of the Companies Act, 2013 will not be applicable to company, as there are no special business to transact to the meeting.

**BY ORDER OF THE BOARD,
ANAND RAYONS LIMITED**

Registered Office:

305-306, Jay Sagar Complex,
Opp. Sub jail, Khatodara,
Surat-395002.

Sd.
Rahul Makwana
Company Secretary and
Compliance Officer

Place: Surat

Date: December 06, 2020

BOARD OF DIRECTOR'S REPORT

Dear Members,
ANAND RAYONS LIMITED

Your Directors have pleasure in presenting the 2nd Annual Report of the Company together with the Audited Financial Statement and the Auditors' Report of your company for the financial year ended March 31, 2020.

FINANCIAL PERFORMANCE

The following are the financial results of the Company for the year ended 31st March, 2020.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE FROM OPERATIONS	2,43,88,93,461	2,82,62,55,565
OTHER INCOME	77,77,872	6,29,464
TOTAL REVENUE	2,44,66,71,333	2,82,68,85,029
EXPENSES		
(i) Cost of Materials Consumed	2,27,91,36,855	2,69,21,42,020
(ii) Employee Benefits Expense	1,15,36,480	1,21,05,673
(iii) Finance Costs	3,10,03,035	3,28,90,561
(iv) Depreciation and Amortization Expense	10,98,755	3,76,834
(v) Other Expenses	11,48,00,776	5,75,70,390
TOTAL EXPENSES	2,43,75,75,901	2795085478
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	90,95,433	3,17,99,551
EXCEPTIONAL ITEMS	-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	90,95,433	3,17,99,551
EXTRAORDINARY ITEMS	-	-
PROFIT BEFORE TAX	90,95,433	3,17,99,551
TAX EXPENSE		
Current Tax	25,08,322	1,04,63,528
Deferred Tax	(1,20,232)	(18,236)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	67,07,343	2,13,54,259

*Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2019-20.

STATE OF AFFAIRS

During the year under review, the Company has earned lower profit compared to the previous year due to global level recession, acute competition, and economic slowdown. The situation of heavy pressure on margin continued in the year:

- The revenue of the company decreased to Rs. 2,44,66,71,333/- as compared to Rs. 2,82,68,85,029/- in the previous year.
- The net profit after Tax also decreased to Rs. 67,07,343 as compared to Rs. 2,13,54,259/- in the previous year.

CHANGE IN NATURE OF BUSINESS

There has been no significant change in the business carried on by the company and it continued to be business of dealing in various yarn and thread. The company is associated with M/s Baid Industries Private Limited (BIPL) for getting manufactured various yarn on job work basis. At present your company has no plan to enter into any other business. Further, the Company continues with its efforts to maintain growth even during the economic downturn and face new challenges.

The COVID-19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the disease, now as the attention has started shifting from lockdown to safe reopening. The Company expects the yarn market will contribute to the World textile Industry's growth. Accordingly Company is taking effective steps to improve operational efficiency. India's stable macroeconomic environment and strong growth outlook stand out relative to other emerging markets. As the Indian growth story pans out, along with it is the growth of its robust textile market. With India's ever growing requirements of yarn, planned by the Government through various Initiatives, demand remained stable with the previous year trend, there exists substantial opportunity for future growth as the Company's products are geared up for the requirements. However, trade tensions & COVID-19 Pandemic among major economies impacted global growth prospects and has larger concerns on slowing down of world trade. The uncertainties associated with the pandemic COVID-19 may have adverse impact on the demand and supply chain in the short-term in yarn segments, and the Company is working to minimize the impact of such aberrations to sustain the operations and identify new opportunities to grow. Accordingly, the company is executing the strategies to mitigate the impact of slowdown of trade

DIVIDEND

Keeping in mind the overall performance and outlook for your Company, your Board of Directors recommend that this time the company is not declaring dividends as the company requires funds for its business expansion. Your Directors are unable to recommend any dividend for the year ended 31st March, 2020.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION PROTECTION FUND:

The unclaimed Dividend Amount is 13,639.50 as on March 31, 2020 which was declared during the FY 2018-19. So the Question of transferring the amount in the Investor Education and Protection Fund as per the provisions of Section 125(2) of the Companies Act, 2013, does not arise.

TRANSFER TO RESERVE:

The company has transferred the whole amount of Profit under the head Reserve and surplus account as per attached audited Balance sheet for the year ended on March 31, 2020.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES:

The Company does not have any Subsidiary, Joint Venture or Associate Company.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Equity Shares of Rs. 10/- each.

The Paid up Capital of the Company is Rs. 14,98,47,210/- (Rupees Fourteen Crores Ninety Eighty Lacs Forty Seven Thousands Two Hundred Ten Only) divided into 1,49,84,721 Equity shares of Rs. 10/- each.

CHANGES IN SHARE CAPITAL

The paid up equity share capital of the company as on March 31, 2020 was Rs. 14,98,47,210/- divided into 1,49,84,721 Equity Shares of Rs. 10/- (Rupees ten only) each. During the year under review, the company has made Public issue through Initial Public Offer of 46,88,000 Equity Shares of Rs. 10/- each at a premium of Rs. 17 per share aggregating to Rs. 12,65,76,000

EXTRACT OF ANNUAL RETURN:

The extract of Annual return as requires under section 134(3)(a) read with Section 92(3) of the Companies Act, 2013 and rules made thereunder in Form MGT-9 for the Financial Year 2019-20 is attached as **Annexure- A** and forms part of this report.

USE OF PROCEEDS IPO/FPO:

The proceeds from the Issue of the Company vide prospectus dated June 04, 2019 was of Rs. 1265.76 Lakhs out of which Company had utilized full amount for the purpose of objects as stated in prospectus. There is no deviation of funds raised by IPO.

PUBLIC OFFERING:

Your Company issued a prospectus on dated 04 June, 2019. Your company had come with the Public issue through Further Public Offer of 46,88,000 Equity Shares of Rs. 10/- each at a premium of Rs. 17 per share aggregating to Rs. 12,65,76,000. The Company had allotted fully paid up 46,88,000 Equity Shares of Rs. 10/- each to the eligible applicants. The Equity Shares of the Company got listed on BSE SME Platform. After the Public Issue , issued, subscribed and paid up share capital of our company stands at Rs. 14,98,47,210/- divided into 1,49,84,721 equity shares of Rs. 10/- each.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE THEREOF:-

MEETINGS OF BOARD OF DIRECTORS

During the year under the review, 8 (Eight) Board Meetings were held, with gap not exceeding the period prescribed under Companies Act, 2013 and Rules made thereunder. Details of Board Meetings held during the year are given in the table below. Board meeting dates are finalized in consultation with all Directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	10.04.2019	Five	Five
2	30.04.2019	Five	Five
3	29.05.2019	Five	Five
4	04.06.2019	Five	Five
5	27.06.2019	Five	Five
6	04.09.2019	Five	Five
7	14.11.2019	Five	Five
8	19.02.2020	Five	Five

THE NAMES OF MEMBERS OF THE BOARD AND THEIR ATTENDANCE AT THE BOARD MEETINGS ARE AS UNDER:

Sr. No.	Name of Director	No. of Meetings attended
	Mr. Anand Bakshi	8
	Mrs. Shilpa Bakshi	8
	Mrs. Hema Mishra	8
	Mr. Jayant Mankad	8
	Mr. Niles Bodiwala	6

Note:

Mr. Nivesh Khanna has resigned from May 29, 2019 and Mr. Nileshkumar Bodiwala Has been appointed as Independent Director.

EXTRA ORDINARY GENERAL MEETING

During the year under review, The Company Does not hold any extra ordinary general meeting of members

COMMITTEES OF BOARD

Currently, the Board has three committees i.e. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. All committees are constituted with proper composition of Independent Directors as mentioned in relevant provisions of Companies Act, 2013.

AUDIT COMMITTEE:

The Board has constituted Audit Committee as required under Companies Act, 2013. The Composition of Committee as on the date is as stated below:

Sr. No.	Name of Director	Designation in Committee
1.	Mr. Nilesh Bodiwala	Chairman
2.	Mr. Jayant Mankad	Member
3.	Ms. Anand Bakshi	Member

Note:

The Board has reconstituted Audit Committee on May 29, 2019 as required under Companies Act, 2013. Mr. Nivesh Khanna has resigned from May 29, 2019 and Mr. Nileshkumar Bodiwala Has been appointed as Additional Independent Director and Chairman of the Committee

NOMINATION & REMUNERATION COMMITTEE:

The Board has constituted Nomination & Remuneration Committee as required under Companies Act, 2013. The Composition of Committee as on the date is as stated below:

Sr. No.	Name of Director	Designation in Committee
1.	Mr. Jayant Mankad	Chairman
2.	Mr. Nilesh Bodiwala	Member
3.	Ms. Anand Bakshi	Member

Note:

The Board has reconstituted Nomination & Remuneration Committee on May 29, 2019 as required under Companies Act, 2013. Mr. Nivesh Khanna has resigned from May 29, 2019 and Mr. Nileshkumar Bodiwala Has been appointed as Additional Independent Director and member of the Committee

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Board has constituted Stakeholder's Relationship Committee as required under Companies Act, 2013. The Composition of Committee as on the date is as stated below:

Sr. No.	Name of Director	Designation in Committee
1.	Mr. Jayant Mankad	Chairman
2.	Mr. Nilesh Bodiwala	Member
3.	Ms. Anand Bakshi	Member

Note:

The Board has reconstituted Nomination & Remuneration Committee on May 29, 2019 as required under Companies Act, 2013. Mr. Nivesh Khanna has resigned from May 29, 2019 and Mr. Nileshkumar Bodiwala

Has been appointed as Additional Independent Director and member of the Committee

DATES OF COMMITTEE MEETINGS:

Sr. no.	Name of the Committee	Members of the Committee	Date of Meetings	Attendance (%)
1	Audit Committee	Mr. Nilesh Bodiwala Mr. Jayant Mankad Ms. Anand Bakshi	30.04.2019 27.06.2019 04.09.2019 14.11.2019 19.02.2020	100%
2	Nomination and Remuneration Committee	Mr. Jayant Mankad Mr. Nilesh Bodiwala Ms. Anand Bakshi	30.04.2019 29.05.2019 04.09.2019	100%
3	Stakeholders Relationship Committee	Mr. Jayant Mankad Mr. Nilesh Bodiwala Ms. Anand Bakshi	19.02.2020	100%

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 that:

- In preparation of annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts ongoing concern basis.
- The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND REPORT THEREON:

RATIFICATION OF AUDITOR'S APPOINTMENT:

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 1st Annual General Meeting held on September 30th, 2019.

The report of the Auditors is self-explanatory. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation. Further the Auditors' Report for the financial year ended, 31 March, 2019 is annexed to the Balance Sheet.

As required by Section 134(3)(f) of the Companies Act, 2013, your directors report that there is no fraud reported by the auditors in their report which is required to be reported here.

Your company has installed adequate internal financial controls with reference to the Financial Statements

as reported by Auditors for the year ended 31 March, 2019.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed M/S. ALPESH DHANDHLYA & ASSOCIATES, Practicing Company Secretary, Ahmedabad, as Secretarial Auditors of the Company to conduct the Secretarial Audit for F.Y. 2019-20. A Secretarial Audit Report for F.Y. 2019-2020 is annexed herewith as **Annexure B**.

INTERNAL AUDITORS:

Pursuant to provisions of Section 138 of Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 M/s M/s Sutarwala & Associates, Chartered Accountants were appointed as Internal Auditor of Company for period of 3 years commencing from the F.Y. 2019-20.

The Company continued to implement her suggestions and recommendations to improve the control systems. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor's findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Cost Auditors

Provisions for Cost Auditor is not applicable to your company.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT UNDER SECTION 186:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee, security or investments covered under are disclosed in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In compliance of listing regulations, the company has framed the policy for transactions with Related Parties. There were no materially significant related party transactions entered between the Company, Directors, management, or their relatives except for those disclosed in the financial statements.

Apart from the Related Party transactions in the ordinary course of business and at arm's length basis, details of which are given in the notes to the financial statements, there were no other related party transactions requiring disclosure in the Director's Report, for compliance with section 134(3)(h) of the Companies Act, 2013.

However Form AOC - 2 related with particulars of contract or arrangements with related parties are annexed herewith as **Annexure-C**.

AMOUNTS TRANSFERRED TO RESERVES:

The company has transferred the whole amount of Profit under the head Reserve and surplus account as per attached audited Balance sheet for the year ended on March 31, 2020.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

In the opinion of board of directors there are no material changes & have occurred after balance sheet date till the date of the report affecting the financial position of the company.

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

The details of conservation of energy, technology, absorption, foreign exchange earnings and outgo as required U/S 134(3)(m) of Companies Act 2013 are as under:

- **Conservation of Energy:***

- Steps taken / impact on conservation of energy: N.A.
- Steps taken by the company for utilizing alternate sources of energy including waste generated: Nil
- Capital investment on energy conservation equipment: NIL

* Your Company is in Business of trading of Yarn, so in trading business there is no need of Conservation of Energy.

- **Technology Absorption:***

- The efforts made towards technology absorption; N.A.
- The benefits derived like product improvement, cost reduction, product development or import substitution;
N.A.
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
N.A.

* Your Company is in Business of trading of yarn, so in trading business there is no need of Technology Absorption.

- **Foreign exchange earnings and Outgo**

There is neither Foreign Exchange earned in terms of actual inflows nor the Foreign Exchange outgo during the year in terms of actual outflows in the Company.

RISK MANAGEMENT POLICY:

The company has been exempted under regulation 21 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 from reporting of risk management. The board is fully aware of Risk Factor and is taking preventive measures wherever required.

CORPORATE SOCIAL RESPONSIBILITIES (CSR) POLICY:

The provisions of Section 135(1) and 135(5) of the Companies Act, 2013 regarding constitution of Corporate Social Responsibility (CSR) Committee and spending of at least 2% of average net profit are not applicable to the Company.

PARTICULARS OF DEPOSITS:

Company has not accepted any deposits falling within purview of the section 73 to 76 of The Companies Act, 2013 read with rules made there under. There Are no overdue public deposits, unclaimed public deposits as on the last day of financial year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS:

Your directors confirmed that no significant and material orders have been passed by Regulators or Courts or Tribunals impacting the going concern status and companies' operations in future.

INTERNAL FINANCIAL CONTROLS:

The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. The Company has placed proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected.

Yours directors are of the opinion that looking to the size and nature of business of the company there is adequate internal financial control system and the said system is operating effectively. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is attached as Annexure A of the Auditors Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

COMPANIES POLICIES ON DIRECTORS APPOINTMENT AND REMUNERATION:

Pursuant to provisions of section 178(3) of the Companies Act, 2013 and other applicable provisions, if any, Company has constituted Nomination and Remuneration committee which determines criteria for the qualifications, positive attributes and independence of the Director, Key Managerial Personnel and other employees. The Remuneration Policy is framed in accordance with Listing regulations and provisions of Companies Act, 2013.

ANNUAL EVALUATION OF PERFORMANCE OF BOARD, DIRECTORS AND COMMITTEES:

Though the company has been exempt from annual evaluation of its own performance and performance of directors and committees thereof under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but in terms of Rule 8(4) of the Companies (Accounts) Rules, 2014 company has laid down specific criteria for evaluation of annual performance and has developed qualitative and quantitative bench marks to ensure effective implementation of the same.

MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of company met one time during the year on Wednesday, 19th FEBRUARY, 2020 where all the Independent Directors were present under the requirement of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS:

Independent Director have given necessary declaration under Section 149(7) of the Companies Act, 2013 and as per the said declarations, they fulfill the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same has been recorded by the Board of Directors.

CHANGE IN COMPOSITION OF BOARD

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Hema Mishra, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

1. Mr. Nivesh Khanna has resigned from the Independent Directorship of the Company w.e.f May 29, 2019.
2. Mr. Nileshkumar Bodiwala was appointed as Independent Director of the Company w.e.f. May 29, 2019.

COMPANIES (AUDITOR'S REPORT) ORDER, 2015

In terms of section 143(11) of the Companies Act, 2013 CARO has been attached as part of Auditors Report

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued Equity Shares with differential rights.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

The Company has not issued sweat Equity shares during the Financial Year 2019-20.

DISCLOSURE REGARDING ISSUE OF BONUS SHARES:

The Company has not issued sweat Equity shares during the Financial Year 2019-20.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:

The Company has not issued Employee Stock Options during the Financial Year 2019-20.

REDEMPTION OF SHARES/DEBENTURES:

The Company has not redeemed any shares during the Financial Year 2019-20.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION PROTECTION FUND:

As on 31st March, 2020, dividend amounting to Rs. 13,639 has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Registrar, Bigshare Services Private Limited, for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) rules, 2012, this details shall be uploaded on the website of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy /vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at www.anandrayons.com.

PREVENTION OF INSIDER TRADING :

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

CORPORATE GOVERNANCE:

The company is exempted from reporting on corporate governance as per Regulation 15 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015. the Company is not required to mandatorily comply with the provisions certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, company is not filing Corporate Governance Report to stock exchange. Therefore, Corporate Governance Report is not attached. However, Company is complying with the Non applicability certificate on Corporate Governance to the Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure D** of Board's Report.

BUSINESS RESPONSIBILITY REPORT:

The company has been exempted from reporting on Business Responsibility Report as per Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

OTHER DISCLOSURES:

MD AND CFO CERTIFICATION:

The MD and CFO of the company required to gives annual certification on financial reporting and internal controls to the board in terms of Regulation 17(8) of listing regulation and certification on financial results while placing the financial result before the board in terms of Regulation 33 of listing regulation and same is published in this report as **Annexure – E**.

DISCLOSURE RELATING TO EMPLOYEES:

Disclosure pertaining to remuneration and other details as required under section 197(12) of the Act, read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as “Annexure A”. Further, no employee of the Company was employed during the year drawing remuneration exceeding the limits as prescribed under Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence the information under Rule 5(2) is not applicable.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company always endeavours to create and provide an environment which is safe, free from discrimination and harassment including sexual harassment to every individual in the premises. As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

ACKNOWLEDGMENT:

Your Directors wish to extend their sincere thanks to the Government as well as the Government agencies, banks, customers, shareholders, vendors and other related organizations who have helped in your Company's progress, as partners, through their continued support and co-operation.

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

**For and on behalf of the Board of Directors,
ANAND RAYONS LIMITED**

**Place: Surat,
Date: December 06, 2020**

Sd/-
Anand Bakshi
Chairman and Managing Director

ANNEXURE – A

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

(As on financial year ended on March 31, 2019)

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

A. REGISTRATION & OTHER DETAILS:

1.	CIN	U51909GJ2018PLC104200
2.	Registration Date	20/09/2018
3.	Name of the Company	ANAND RAYONS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	305-306, Jay Sagar Complex, Opp. Sub Jail, Khatodra, Surat - 395002 Tel: 0261-2635521
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059 Tel No.: 022 62638200 Fax No: 022 62638299 Email Id: bssahd@bigshareonline.com Website: www.bigshareonline.com SEBI Registration No: INR000001385 Investor Grievance E-mail:investor@bigshareonline.com

Note:

Company was listed on 02.07.2019 on BSE Limited (SME Platform)

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading of Yarn	46411	100

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sr. No.	Name and Address of the Company	Holding/ Subsidiary /Associate	CIN/GLN	% of shares held	Applicable Section
	NA	NA	NA	0	NA

The Company does not have any Subsidiary, Joint Venture or Associate Company.

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

a. Category wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				Change during the year %
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	10296721	0	10296721	100.00	10296721	0	10296721	68.715	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	10296721	0	10296721	100.00	10296721	0	10296721	68.715	0
2) Foreign									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0
i) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
k) Any Other....	0	0	0	0.00	0	0	0	0.00	0
Sub-total(A)(2):-	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	10296721	0	10296721	100.00	10296721	0	10296721	68.715	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-total(B)(1)	0	0	0	0.00	0	0	0	0.00	0
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	0	0	0	0	612000	0	612000	4.084	+4.084
(ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	695988	0	695988	4.645	+4.645
(ii) Individual shareholders holding nominal share capital in excess of Rs.1lakh	0	0	0	0	2548000	0	2548000	17.004	+17.004
c) Others(Specify)									
Hindu Undivided Families	0	0	0	0	0	0	0	0	0
Market Maker	0	0	0	0	0	0	0	0	0
Clearing Member	0	0	0	0	832012	0	832012	5.552	+5.552
Sub-total (B)(2)	0	0	0	0	4688000	0	4688000	31.285	+31.285
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	4688000	0	4688000	31.285	+31.285
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10296721	10296721	100.00	14984721	0	14984721	100.00	0.00

b. Shareholding of Promoter & Promoter Group-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares*	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Anand Gokulbhai Bakshi	3505920	34.049	0	3504920	23.390	0	-0.007
2.	Gokul Yesvantrai Bakshi	3686195	35.800	0	3686195	24.600	0	-
3.	Vasuben Gokulbhai Bakshi	1913880	18.587	0	1913880	12.772	0	-
4.	Shilpa Anand Bakshi	1004860	9.759	0	1004860	6.706	0	-
5.	Mishra Hema Aruni	175542	1.705	0	175542	1.117	0	-
6.	Nila Amrish Gandhi	9820	0.095	0	9820	0.066	0	-
7.	Jigisha Dharmesh Chorawala	504	0.005	0	504	0.003	0	-
8.	Bakshi Malaya	0	0	0	1000	0.007	0	+0.007

c. Change in Shareholding of Promoters & Promoter Group

Sr. No.	Name Of Shareholders	Shareholding At The Beginning Of The Year		Date	(+)/Increase/(-) Decrease In Share Holding	Reason	Shareholding At The End Of The Year	
		No Of Shares	% Of Total Shares Of The Company				No Of Shares	% Of Total Shares Of The Co.
1.	Anand Gokulbhai Bakshi	3505920	34.049	14.05.2019	-0.007	Internal Transfer	3504920	23.390
2.	Gokul Yesvantrai Bakshi	3686195	35.800	NA	0	NA	3686195	24.600
3.	Vasuben Gokulbhai Bakshi	1913880	18.587	NA	0	NA	1913880	12.772
4.	Shilpa Anand Bakshi	1004860	9.759	NA	0	NA	1004860	6.706
5.	Mishra Hema Aruni	175542	1.705	NA	0	NA	175542	1.117
6.	Nila Amrish Gandhi	9820	0.095	NA	0	NA	9820	0.066
7.	Jigisha Dharmesh Chorawala	504	0.005	NA	0	NA	504	0.003
8.	Bakshi Malaya	0	0	14.05.2019	+0.007	Internal Transfer	1000	0.007

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		(+)/Increase /(-) Decrease In Share Holding	Shareholding at the end of the year	
		No Of Shares	% Of Total Shares Of The Company		No Of Shares	% Of Total Shares Of The Company
1.	SAGAR KISHORBHAI GAJERA	0	0	520000	520000	3.470
2.	DESAI BIJAL DHARMESHBHAI	0	0	400000	400000	2.669
3.	ASHVINIKUMAR MOOLCHAND MEHTA	0	0	352000	352000	2.349
4.	NEMISH DAVDA	0	0	332000	332000	2.216
5.	CHANDER VIJAY RAJGULSHAN GABA	0	0	180000	180000	1.201
6.	POOJA CHANDERVIJAY GABA	0	0	180000	180000	1.201
7.	SHOBHNABEN ANILBHAI MEHTA	0	0	124000	124000	0.828
8.	MANGLA SUBHASH RATHOD	0	0	72000	72000	0.481
9.	PATEL ANILBHAI DOLAT - HUF	0	0	64000	64000	0.427
10.	ANILKUMAR SHANKERLAL MEHTA	0	0	60000	60000	0.400

e. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Anand Bakshi Managing Director	At the beginning of the year	3505920	34.049	3505920	34.049
	Changes during the year.	-1000	-0.007	3504920	34.049
	At the end of the year	3505420	23.390	3504920	23.390
Shilpa Bakshi Whole Time Director	At the beginning of the year	1004860	9.759	1004860	9.759
	Changes during the year.	0	0	0	0
	At the end of the year	1004860	6.706	1004860	6.706
Hema Mishra Director	At the beginning of the year	175542	1.705	175542	1.705
	Changes during the year.	0	0	0	0
	At the end of the year	175542	1.172	175542	1.172
Nilesh Bodiwala (Independent Director)	At the beginning of the year	0	0	0	0
	Changes during the year.	0	0	0	0
	At the end of the year	0	0	0	0
Jayant Mankad (Independent Director)	At the beginning of the year	0	0	0	0
	Changes during the year.	0	0	0	0
	At the end of the year	0	0	0	0
Chetan Desai (CFO)	At the beginning of the year	0	0	0	0
	Changes during the year.	0	0	0	0
	At the end of the year	0	0	0	0
Rahul Makwana (CS)	At the beginning of the year	0	0	0	0
	Changes during the year.	0	0	0	0
	At the end of the year	0	0	0	0

f. INDEBTEDNESS - Bank Loan

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,58,66,002.48	10,33,62,565.00		28,92,28,567.48
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	18,58,66,002.48	10,33,62,565.00	-	28,92,28,567.48
Change in Indebtedness during the financial year				
-Addition / (Reduction)	5,93,98,890.52	(1,16,91,253.00)		4,77,07,637.52
Net Change	5,93,98,890.52	(1,16,91,253.00)		4,77,07,637.52
Indebtedness at the end of the financial year				
i) Principal Amount	24,52,64,893.00	9,16,71,312.00		33,69,36,205.00
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	24,52,64,893.00	9,16,71,312.00	-	33,69,36,205.00

g. Remuneration of Directors And Key Managerial Personnel
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt In Lacs)

Sn.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Anand Bakshi Managing Director	Shilpa Bakshi Whole Time Director	
1	Gross Salary	24.00	18.00	42.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify			
5	Others, please specify			
	Total (A)	24.00	18.00	42.00

B. Remuneration to Other Director

As no other director of the Company is drawing the salary or other remuneration from the Company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sn.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO	CFO	CS	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		638000	408000	1046000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify				
	Total (A)		638000	408000	1046000

*The company had paid remuneration of Rs. 1,06,935/- to Mr. Gokul Bakshi being a Chairmen of Emeritus of the company during the year..

g. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NO

Annexure B

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
ANAND RAYONS LIMITED
305-306, Jay Sagar Complex,
Opp. Sub Jail, Khatodra,
Surat, Gujarat-395002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Anand Rayons Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Uniform Listing Agreement entered into by the Company with Stock Exchanges pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/qualification that:

- 1) The Company has not submitted Annual Report for the financial year 2018-19 with the stock exchange within required statutory time limit as per the regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

A. INDUSTRIAL AND LABOUR LAWS:

- a) The Minimum Wages Act, 1948
- b) The Payment of Wages Act, 1936
- c) Employee's State Insurance Act, 1948
- d) Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- e) The Payment of Bonus Act, 1965
- f) The Payment of Gratuity Act, 1972

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Date: 05.12.2020
Place: Ahmedabad

ALPESH DHANDHYA & ASSOCIATES
COMPANY SECRETARIES
Membership No.:32500
COP: 12119
UDIN: A032500B001408787

Annexure C

Form No. AOC-2

Particulars of Contracts/arrangements made with related parties

(Pursuant to section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

B. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No	Particulars	Details
1	Name(s) of the related party and nature of relationship:	NA
2	Nature of contracts/arrangements/transactions:	NA
3	Duration of the contracts / arrangements/transactions	NA
4	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
5	Justification for entering into such contracts or arrangements or transactions	NA
6	Date(s) of approval by the Board	NA
7	Amount paid as advances, if any	NA
8	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

C. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Particulars	RPT – 1	RPT – 2	RPT – 3	RPT – 4	RPT – 5
1.	Name(s) of the related party and nature of relationship	Anand Bakshi-MD and Promoter Anand Gokul Bakshi (HUF)	-Shilpa Bakshi-WTD -M/s Dhruv Trading (Proprietary firm of Mrs. Shilpa Bakshi)	Gokul Y. Bakshi (HUF) Director's relatives	Hema Mishra Director	Vasuben Gokulbhai Bakshi Director's relatives
2.	Nature of contracts/ arrangements/ transactions	1) interest on loan received from director 2) Additional unsecured loan received	1) interest on loan received from director 2) Additional unsecured loan received	1) interest on loan received from director	interest on loan received from director	interest on loan received from director
3.	Duration of the contracts / arrangements / transactions	1) 3 Years	1) 3 Years	On demand	On demand	On demand

4.	Salient terms of the contracts or arrangements or transactions including the value, if any	1) interest on loan received from director (Interest Rs. 19,95,480) 2) Additional unsecured loan Rs. 12,00,000	1) interest on loan received from director (Interest Rs. 9,43,940) 2) Additional unsecured loan Rs. 12,00,000	1) interest on loan received from director Rs. 24,41,440	interest on loan received from director Rs. 51,03,000	interest on loan received from director Rs. 35,300
5.	Date(s) of approval by the Board	09/10/2018 10/04/2019	09/10/2018 10/04/2019	09/10/2018	09/10/2018	19/02/2019
6.	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors
Anand Rayons Limited

Place: Surat
 Date: September 06, 2019

Anand Bakshi
 Managing Director
 (DIN: 01942639)

Shilpa Bakshi
 Managing Director
 (DIN: 08465357)

Annexure –D

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is in the business of yarn trading/Authorized dealer of various companies. It is a leading company offering various types of yarn to national markets. However, Competition in the industry is continuously increasing, but overall Performance of the Company is good.

OUTLOOK:

The COVID-19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the disease, now as the attention has started shifting from lockdown to safe reopening. The Company expects the market for textile yarn will contribute to the Indian Textile Industry's growth. Accordingly Company is taking effective steps to improve operational efficiency. India's stable macroeconomic environment and strong growth outlook stand out relative to other emerging markets. As the Indian growth story pans out, along with it is the growth of its robust textile industries. However, trade tensions & COVID-19 Pandemic among major economies impacted global growth prospects and has larger concerns on slowing down of world trade. The uncertainties associated with the pandemic COVID-19 may have adverse impact on the demand and supply chain in the short-term in segments, and the Company is working to minimise the impact of such aberrations to sustain the operations and identify new opportunities to grow. Accordingly the company is executing the strategies to mitigate the impact of slowdown of trade.

OVERVIEW:

The financial statements have been prepared the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and the profit, and its cash flows for the year ended on that date. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

THE TEXTILE INDUSTRY:

Among the massive impact that coronavirus has had on various Indian industries, textile is one of the hardest hit industries. The textile and clothing sector is labour and capital intensive. A majority of workers are migrant labourer's; who have mostly returned to their native places. With the total disruption in workflow and production schedule, the industry is facing one of its worst-ever crisis. Prolonged closure of malls and retail showrooms has made the situation worse. Some of the new challenges faced by the industry are not just liquidity crunch but also lack of demand and requirements to meet new safety standards across all processes.

Post the immediate crisis, the apparel industry faces a recessionary market. One of the reasons for this is the prospect of changing consumer behavior due to social distancing and the preference for sanitized products. Consumers are expected to be uncomfortable to touch and feel garments in retail stores.

However, on the brighter side, several countries around the world, such as the USA & Japan, have decided to learn lessons from this calamity and look for alternate production sources other than China. Indian textiles should capitalize on this situation and present itself as a credible alternative to increase its textile and apparel exports share. Further, manufacturers need to maximize their internal capabilities and focus on building their efficiencies if they want to emerge as a better option than competitors like Bangladesh, Vietnam and Cambodia.

Indian Textile Industry

The textile industry is one of the oldest industries of the Indian economy. The industry is labour intensive and continues to be the second-largest employer (after the agricultural sector) in the country. It employs more than 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 2% to India's Gross Domestic Product (GDP), 7% of industrial output (in value terms), 27% of the country's foreign exchange inflows and 15% of country's export earnings.

The textiles and apparels industry in India is valued at around \$127 billion in size. In India, the sector enjoys the presence of the entire value chain—from fibre, yarn, fabric and apparel—apart from the availability of cheap and abundant labour. However, in spite of these benefits, India's share in the global textiles exports is just 5%, which is minuscule as compared to China's share of 38%. Much smaller players like Bangladesh and Vietnam have a share of 3% in global exports and are increasingly threatening India's exports.

The government is trying to create a level playing field for the domestic industry by increasing import duty on several textile items being dumped into the country. The government has also come up with a number of export promotion policies for the textiles sector. It has allowed 100 per cent FDI in the Indian textiles sector

Polyester Industry Outlook

Traditionally, the Textile Ministry has been skewed in its favoured cotton as it supports the livelihood of almost 5.8 million farmers.

However, Polyester has become the most preferred fiber in the global textiles industry due to its better physical properties, lower price, versatility, and recyclability, which offer a completely unique set of benefits unmatched by any other natural or synthetic fibers. Polyester filaments has been segmented into apparel, home furnishing, automotive, construction, filtration, and personal care and hygiene applications.

The Indian polyester industry, for last six years, had been at a distinct cost disadvantage in global competitiveness on account of Anti-Dumping Duty on key raw material i.e. PTA. Man Made Fiber industry associations and users of PTA had been vigorously representing and following up the Government authorities to remove this punitive duty and address the structural anomalies like "Inverted Duty" structure which are hampering the growth. Polyester industry continues to suffer on account of inverted GST structure – higher rate of 18% on raw material & 12% on finished products like yarn & fiber and going forward 5% on fabrics and garments.

Finally, the global shift in fashion toward MMF was noticed by the government and the additional anti-dumping duty on PTA was abolished by Ministry of Finance in the budget announced on February 2020. The whole polyester industry has become hopeful at the removal of this major burden that had been hampering the growth of the Indian polyester industry. This abolishment has levelled the playing field for the Indian manufacturers and is likely to have a positive impact in domestic business environment as well as global competitiveness

Our core strengths

- Over two decades of rich industry experience
- Most cost-efficient distribution channel
- Well-defined quality and management system
- Presence across the nation
- Enduring and stable relationship with clients

Key Highlights of the Company's performance for the year are as under.

- The revenue of the company decreased to Rs. 2,44,66,71,333/- as compared to Rs. 2,82,68,85,029/- in the previous year.
- The net profit after Tax also decreased to Rs. 67,07,343/- as compared to Rs. 2,13,54,259/- in the previous year.

Opportunities & Threats

Synthetic Yarn has good share in total yarn production; India's growing population has been a key driver of textile consumption growth in the country. It has been complemented by a young population which is growing and at the same time is exposed to changing tastes and fashion. Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue.

Manpower: Company is in trading of Synthetic Yarn , company does not require any technical personnel, other than marketing personnel.

High Competition and Low Profitability: The yarn Industry has entered into the orbit of the high competition. Various brands and various quality yarn are available in the market. Due to high competitions in market, we have to fluctuate the profit margin to maintain the turnover of the company.

New Entrants: More and more new organized and unorganized players are entering into market which will increase competition in our business sector also.

Risk and concerns:

Stiff competition from the organized and unorganized players as well as from the imported yarns resulting in lower margins or losing out the customers. However, due to strong and stable relationship with clients, the company has at its own penetrated markets and maintained its offerings and sales revenues.

Internal Financial Control Systems and their adequacy:

The Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013. The Internal Control is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The Company has successfully laid down the framework and ensured its effectiveness. The Company has in place a well-defined system to record data for accounting and management information purposes and connects to different locations for efficient exchange of information.

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal checks and control systems are to be implemented by the Company on various activities in the organization to ensure that business operations are systemized in achieving the best performance.

M/s M. R. Bombaywala & Co., Chartered Accountants, the statutory auditors of the Company has audited the financial statements included in this annual report for the year 2019-20 and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act, 2013).

The audit committee meets the statutory auditors of the Company to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major- observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2020, our internal financial controls were adequate and operating effectively.

Material Developments in Business activities, Human Resources / Industrial Relations Front, including number of people employed:

The Company always recognizes the importance of manpower. Company promotes employees and encourages them to make contribution toward company, family and nation at large. Company also encourages the employees to offer their creative suggestions for development in their respective areas which are thoroughly discussed in periodical meetings. The company enjoyed excellent relationship with staff during the last year as on March 31, 2019 the company has 34 employees at its Surat Office and administrative office. The Company

has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the upper growth.

Cautionary Statement:

Statement in this Management and Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statement and within the meaning of applicable laws and regulations. Actual results may or might differ materially from those either expressed or implied.

For and on behalf of Board of Directors
Anand Rayons Limited

Place: Surat
Date: December 06, 2020

Anand Bakshi
Managing Director
(DIN: 01942639)

Shilpa Bakshi
Managing Director
(DIN: 07986896)

Annexure– E
CEO & CFO COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To,
The Board of Directors,
Anand Rayons Limited
Surat

We hereby certify that-

- i. We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. To the best of our knowledge and belief, no transactions entered by the Company during the year ended 31st March, 2020 which are fraudulent, illegal or violation of the Company's Code of Conduct.
- iii. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We further certify that we have indicated to the auditors and the Audit Committee:
 - a) There are no significant changes in internal control system during the year;
 - b) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There are no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

BY ORDER OF THE BOARD,
ANAND RAYONS LIMITED

Sd/- Chetan Desai Chief Financial Officer	Sd/- Anand Bakshi Chairman and managing Director
-------------------------------------------------	--------------------------------------------------------

Place: Surat

Date: December 06, 2020



M. R. Bombaywala & Co.

C h a r t e r e d A c c o u n t a n t s

509-510, Union Trade Centre (UTC), Beside Apple Hospital,

Udhna Darwaja, Ring Road, **SURAT – 395 002**

Tel. : - 0261 - 234 2891 – E-mail : - mrbombaywala@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

ANAND RAYONS LIMITED

1 REPORT ON THE FINANCIAL STATEMENTS : -

OPINION : -

We have audited the accompanying standalone financial statements of M/s. ANAND RAYONS LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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

BASIS FOR OPINION : -

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



M. R. Bombaywala & Co.

C h a r t e r e d A c c o u n t a n t s

509-510, Union Trade Centre (UTC), Beside Apple Hospital,

Udhna Darwaja, Ring Road, **SURAT – 395 002**

Tel. : - 0261 - 234 2891 – E-mail : - mrbombaywala@yahoo.com

KEY AUDIT MATTERS : -

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1 KEY AUDIT MATTER : -

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer to Notes to the Standalone Financial Statements

AUDITOR’S RESPONSE : -

Principal Audit Procedures We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows : -

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.



M. R. Bombaywala & Co.

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- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

- Selected a sample of continuing and new contracts and performed the following procedures :

Read, analysed and identified the distinct performance obligations in these contracts.

Compared these performance obligations with that identified and recorded by the Company.

Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.

Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.

In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.

Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.

Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.



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

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

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

MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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



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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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



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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1 As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 litigations on its financial position in its standalone financial
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For **M. R. BOMBAYWALA & CO.**
Chartered Accountants.

CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431

SURAT : - 21st August, 2020



M. R. Bombaywala & Co.

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ANNEXURE - "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s. ANAND RAYONS LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. ANAND RAYONS LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS : -

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

AUDITOR'S RESPONSIBILITY : -

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



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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING :-

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

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING :-

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



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OPINION :-

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

For **M. R. BOMBAYWALA & CO.**
Chartered Accountants.

CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431

SURAT : - 21st August, 2020



M. R. Bombaywala & Co.

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ANNEXURE - "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s. ANAND RAYONS LIMITED of even date)

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



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- iii) According the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii) According to the information and explanations given to us, in respect of statutory dues :
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.



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- (c) According to the information and explanation given to us, there are no dues of Provident Fund, Employee State Insurance, Income-tax, Sales-tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, GST, Cess and any other statutory dues which have not been deposited on account of any dispute.
- (viii) In our opinion and explanation given to us the company has not defaulted in repayment of dues to a financial institution or bank. The company has not issued any debenture.
- ix) Money raised by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 187 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) The company has made preferential allotment or private placement of shares during the year under review and the requirement of Section 42 of Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised.



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- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M. R. BOMBAYWALA & CO.**
Chartered Accountants.

CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431

SURAT : - 21st August, 2020

ANAND RAYONS LIMITED

BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

PARTICULARS	NOTE NO.	31/03/2020	31/03/2019
I EQUITY AND LIABILITIES :-			
(1) SHAREHOLDERS' FUNDS :-			
(a) Share Capital	1	149847210	102967210
(b) Reserves and Surplus	2	113240985	35868985
(2) NON-CURRENT LIABILITIES :-			
(a) Long Term Borrowing	3	91671312	103362565
(3) CURRENT LIABILITIES :-			
(a) Short Term Borrowings	4	245264893	185866002
(b) Trade Payable	5	44218224	93471377
(c) Other Current Liabilities	6	8846467	8841887
(d) Short Term Provisions	7	2696322	10533528
TOTAL		655785413	540911554
II ASSETS :-			
(1) NON-CURRENT ASSETS :-			
(a) Fixed Assets :-			
(i) Tangible Assets	8	4225688	4254988
(b) Non-Current Investment	9	400000	400000
(c) Deferred Tax Assets (Net)	10	138468	18236
(d) Long Term Loans and Advances	11	9636934	16092433
(2) CURRENT ASSETS :-			
(a) Inventories	12	110566270	20556000
(b) Trade Receivables	13	396715243	487774867
(c) Cash and Cash Equivalents	14	287050	2136751
(d) Short-Term Loans and Advances	15	111235365	689920
(e) Other Current Assets	16	22580395	8988359
TOTAL		655785413	540911554

Significant Accounting Policies 24 As per our report of even date.

And Notes on Accounts

For **M. R. BOMBAYWALA & CO.**
Chartered Accountants.

For **ANAND RAYONS LIMITED**

CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431

Anand Gokul Bakshi
Chairman - 01942639

Shilpa Anand Bakshi
Director - 07986896

Rahul Kumar C. Makwana
Company Secretary

Chetan G. Desai
Chief Financial Officer

SURAT : - 21st August, 2020

SURAT : - 21st August, 2020

ANAND RAYONS LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31/03/2020.

		(Amount in ₹)	
PARTICULARS	NOTE NO.	31/03/2020	31/03/2019
I.	REVENUE FROM OPERATIONS	2438893461	2826255565
II.	OTHER INCOME	7777872	629464
III.	TOTAL REVENUE (I + II)... ..	2446671333	2826885029
IV.	EXPENSES :-		
	(i) Cost of Materials Consumed	2279136855	2692142020
	(ii) Employee Benefits Expense	11536480	12105673
	(iii) Finance Costs	31003035	32890561
	(iv) Depreciation and Amortization Expense	1098755	376834
	(v) Other Expenses	114800776	57570390
	TOTAL EXPENSES	2437575901	2795085478
V.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)	9095433	31799551
VI.	EXCEPTIONAL ITEMS	-	-
VII.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)	9095433	31799551
VIII.	EXTRAORDINARY ITEMS	-	-
IX.	PROFIT BEFORE TAX (VII - VIII)	9095433	31799551
X.	TAX EXPENSE :-		
	(i) Current Tax	2508322	10463528
	(ii) Deferred Tax	(120232)	(18236)
XI.	PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX - X)	6707343	21354259

ANAND RAYONS LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31/03/2020.

XII. EARNINGS PER EQUITY SHARE : -

(i) Basic	0.44	2.07
(ii) Diluted	-	-

Significant Accounting Policies 24 As per our report of even date.
And Notes on Accounts

For **M. R. BOMBAYWALA & CO.**
Chartered Accountants.

For **ANAND RAYONS LIMITED**

CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431

Anand Gokul Bakshi
Chairman - 01942639

Shilpa Anand Bakshi
Director - 07986896

Rahulkumar C. Makwana
Company Secretary

Chetan G. Desai
Chief Financial Officer

SURAT : - 21st August, 2020

SURAT : - 21st August, 2020

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

	As on 31/03/2020	As on 31/03/2019
NOTE :- 1 SHARE CAPITAL		
Authorised Share Capital		
15000000 Equity Shares of ₹ 10.00 Each	150000000	150000000
	150000000	150000000
Issued, Subscribed and Paid Up Share Capital		
14984721 Equity Shares of ₹ 10.00 Each	149847210	102967210
[Previous Year 10296721 Equity Shares]	149847210	102967210

(A) SHARE CAPITAL :-

a) Statement of Changes in Equity :-

Particular	No. of Shares	Share Capital	Share Premium
<u>31st March, 2019</u>			
❖ As at 01/04/2018	10296721	102967210.00	-
❖ Issued	-	-	-
❖ Cancelled	-	-	-
❖ By Back	-	-	-
❖ As at 31/03/2019	10296721	102967210.00	-
<u>31st March, 2020</u>			
❖ As at 01/04/2019	10296721	102967210.00	-
❖ Issued	4688000	46880000.00	79696000.00
❖ Cancelled	-	-	-
❖ By Back	-	-	-
❖ As at 31/03/2020	14984721	149847210.00	79696000.00

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

As on 31/03/2020	As on 31/03/2019
---------------------	---------------------

b) Details of Share Holders holding more than 5.00 % shares : -

(Amount in ₹)

Particular	As on 31/03/2020		As on 31/03/2019	
	No. of Shares	% age	No. of Shares	% age
❖ Anand Gokul Bakshi	3504920.00	23.39%	3505920.00	34.05%
❖ Gokul Yesvantraai Bakshi	3686195.00	24.60%	3686195.00	35.80%
❖ Vasuben Gokulbhai Bakshi	1913880.00	12.77%	1913880.00	18.59%
❖ Shilpa Anand Bakshi	1004860.00	6.71%	1004860.00	9.76%

Terms/right attached to equity shareholders : -

- i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share
- ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend

NOTE :- 2 RESERVES AND SURPLUS

Security Premium Reserve		79696000	-
Profit & Loss A/c	35868985		
Less :- Dividend Distribution Tax	7486361		
Tax on Dividend	1540429		
Professional Tax Payable	4553		
	26837643		
Less :- Cr. Balance of Profit & Loss A/c.	6707343	33544985	35868985
		113240985	35868985

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

As on 31/03/2020	As on 31/03/2019
---------------------	---------------------

a) Statement of Change in Reserve and Surplus : -

Particular	As on 01/04/2019	Addition	Deduction	Appropriation	Balance 31/03/2020
❖ Security Premium Reserve	-	79696000	-	-	79696000
❖ Other Reserve	35868985	(2324000)	-	-	33544985

NOTE :- 3 LONG TERM BORROWING

Unsecured Loans and Advances from Related Parties : -

❖ From Directors	53679798	51029600
❖ From Directors' Relatives	37991514	52332965
	91671312	103362565

NOTE :- 4 SHORT TERM BORROWING

Loans repayable on Demand

Secured - From Bank		
HDFC Bank Ltd.	59369817	-
HDFC Bank Ltd.	166857372	166046660
HDFC Bank Ltd.	316242	-
State Bank of India	18721462	19819342
	245264893	185866002

Working capital facility of HDFC Bank is secured by primary security of stock in trade and book debts of the company and collateral security of commercial property being office unit of The Company 103 and 306 at Jay Sagar Complex, Ring Road, Surat and other Collateral not owned by the Company as follows:-

- i. Office No. 305, Jay Sagar Complex, Ring Road, SURAT.
- ii. Shop No. 101 to 104, Nishchay Co. Op. Soc., Mahadev Nagar, Bilimora.
- iii. Office No. 201-B, Madhuli Complex, Ward No. 2, Sagrampura, SURAT.
- iv. Residential Property - Harkishan Baug CS No. 1423/A, Athwalines Surat.
- v. Residential Property - Plot No. 50/A-B Swami Gunatit Nagar Co. Op. Hsg. Soc. Vesu, Surat.

Working capital facility of State Bank of India is in nature of Dealer Finance Scheme against supplies from Reliance.

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

	As on 31/03/2020	As on 31/03/2019
<u>NOTE :- 5 TRADE PAYABLE</u>		
Trade Payable	44218224	93471377
	44218224	93471377
<u>NOTE :- 6 OTHER CURRENT LIABILITIES</u>		
Other Payable	8846467	8841887
	8846467	8841887
<u>NOTE :- 7 SHORT TERM PROVISIONS</u>		
Current Year Tax	2508322	10463528
Others	188000	70000
	2696322	10533528
<u>NOTE :- 9 NON CURRENT INVESTMENT</u> (Quoted / Unquoted)		
In Equity Instruments	400000	400000
	400000	400000
<u>NOTE :- 10 DEFERRED TAX ASSETS</u>		
Deferred Tax Assets	138468	18236
	138468	18236

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

As on 31/03/2020	As on 31/03/2019
---------------------	---------------------

Pursuant to the Accounting Standard for "Taxes on Income (AS - 22), Deferred Tax Assets of Rs. 120232/- arisen during the year has been recognised and Credited to Profit & Loss Account.

Amount
₹

The Break-up of Deferred Tax Assets is as follows : -

Deferred Tax Assets recognised for timing differences due to : -

❖	Excess of Book Depreciation over Tax Depreciation	120232
❖	Carried Forward Loss	-
		120232

Less : - Deferred Tax Liabilities recognised for timing differences due to : -

❖	Excess of Tax Depreciation over Book Depreciation	-
❖	Unabsorbed Dep. under the I. T. Act Adjustment during the year	-

NET DEFERRED TAX 120232

The Company has, based on its operational parameters and future earnings, recognised Deferred Tax Assets as above. The management is of the view that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

PARTICULAR	Amount Rs.	
❖	Depreciation as per Companies Act	1098755
Less : -	Depreciation as per Income Tax Act	636324
	Excess of Book Depreciation over Tax Depreciation	462431

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

	As on 31/03/2020	As on 31/03/2019
<u>NOTE :- 11 LONG TERM LOANS AND ADVANCES</u>		
<i>(Unsecured considered Good)</i>		
Security Deposits	-	7800000
Fixed Deposits	8636934	7272433
Other Advances	1000000	1020000
	<u>9636934</u>	<u>16092433</u>
<u>NOTE :- 12 INVENTORIES</u>		
❖ Cost of Material	110566270	20556000
	<u>110566270</u>	<u>20556000</u>
(A) <u>VALUATION OF STOCK :-</u>		
❖ Raw Materials	➤ At Cost	
❖ Trading Goods	➤ At Cost	
❖ Stores, Spares & Packing Materials	➤ At Cost	
<u>NOTE :- 13 TRADE RECEIVABLE</u>		
<i>(Unsecured considered Good)</i>		
Outstanding for six months from Due Date	3854966	-
Others	392860277	487774867
	<u>396715243</u>	<u>487774867</u>
<u>NOTE :- 14 CASH AND CASH EQUIVALENTS</u>		
Balance with Bank		
With Scheduled Bank		
In Current Account	284650	2131244
Cash on Hand	2400	5507
	<u>287050</u>	<u>2136751</u>

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

(Amount in ₹)

As on 31/03/2020	As on 31/03/2019
---------------------	---------------------

NOTE :- 15 SHORT TERM LOANS AND ADVANCES

(Unsecured considered Good)

Others	111235365	689920
	111235365	689920

NOTE :- 16 OTHER CURRENT ASSETS

(Unsecured considered Good)

Others	22580395	8988359
	22580395	8988359

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2020.

NOTE :- 8 FIXED ASSETS

(Amount in ₹)

PARTICULAR	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening 01/04/2019	Addition	Deduction	As At 31/03/2020	Opening 01/04/2019	Addition	Deduction	As At 31/03/2020	As At 31/03/2020	As At 31/03/2019
<u>TANGIBLE ASSETS :-</u>										
Land	-	789130	-	789130	-	-	-	-	789130	-
Building	1468059	-	-	1468059	91018	249632	-	340650	1127409	1377041
Furniture & Fixtures	94028	-	-	94028	4532	28013	-	32545	61483	89496
Office Equipments	373188	136252	-	509439	39811	126063	-	165874	343565	333377
Computer	61520	144074	-	205594	7872	71601	-	79473	126121	53648
Vehicles	2635028	-	-	2635028	233602	623445	-	857047	1777981	2401426
T O T A L	4631823	1069456	-	5701278	376835	1098755	-	1475590	4225688	4254988

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31/03/2020

(Amount in ₹)

	As on 31/03/2020	As on 31/03/2019
<u>NOTE :- 17 REVENUE FROM OPERATIONS</u>		
Sale of Traded Goods	2432062814	2781671097
Recycled FDY Wooden Unit	76915	221327
Interest / Debit Note	14983126	28013175
Commission	14549202	24518766
	<u>2461672057</u>	<u>2834424365</u>
<u>Less :-</u> Credit Note / Sales Return	<u>22778595</u>	<u>8168800</u>
	<u>2438893461</u>	<u>2826255565</u>

NOTE :- 18 OTHER INCOME

Interest Income	7680372	531964
Dividend Income	97500	97500
	<u>7777872</u>	<u>629464</u>

NOTE :- 19 COST OF MATERIAL CONSUMED

Opening Stock	20556000	23674452
<u>Add :-</u> Purchases	2369147125	2689023568
<u>Less :-</u> Closing Stock	<u>110566270</u>	<u>20556000</u>
	<u>2279136855</u>	<u>2692142020</u>

NOTE :- 20 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages, Dearness Allowance and Bonus	11250820	10909842
Contribution to Provident and Other Funds	37427	3705
Workmen and Staff Welfare Expenses	248233	1192126
	<u>11536480</u>	<u>12105673</u>

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31/03/2020

(Amount in ₹)

	As on 31/03/2020	As on 31/03/2019
Interest to Partner's Capital	-	3683995
Interest for Working Capital Facilities	17968081	21363188
Other Borrowing Costs	11450013	6936559
Late Payment Interest	64528	26562
Bank Charges	1520414	880256
	<u>31003035</u>	<u>32890561</u>

NOTE :- 21 FINANCE COSTS

NOTE :- 22 OTHER EXPENSES

A) Administrative, Selling and Other Expenses :-

Rent	1057527	1260000
Rates and Taxes	1609450	3027570
Consulting Charges	1981988	1984450
Conveyance	334675	375833
Packing Expenses	1653320	38280
Tour and Travelling	72404	15968
Printing & Stationery	265276	296389
Postage & Courier	25634	8129
Telephone & Communication	61973	144249
Job Work Charges	77286200	16711582
Membership & Subscription	-	140500
Office Power & Fuel	208435	82180
Office Overheads	475718	100035
Office Insurance	350497	134590
Freight, Forwarding & Clearing	16262464	15647419
Computer Software Expenses	486983	-
Repairs & Maintenance	568764	835189
Commission & Brokerage	7264693	14205647
Advertisement & Publicity	401313	23133

ANAND RAYONS LIMITED

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31/03/2020

	(Amount in ₹)	
	As on 31/03/2020	As on 31/03/2019
Website Development Charges	20463	46185
Auditor's Remuneration	188000	120000
Partner/Directors Remuneration	4200000	2338602
Donation	25000	33000
Miscellaneous	-	1460
	<hr/> 114800776	<hr/> 57570390
	<hr/> 114800776	<hr/> 57570390

PAYMENT TO AUDITOR :-

	(Amount in ₹)	
	Current Year	Previous Year
❖ Statutory Audit Fees	60000	40000
❖ Tax Audit Fees	38000	30000
❖ Certification and Consultation Fees	90000	-
	<hr/> 188000	<hr/> 70000

NOTE :- 23 OTHER EXPENSES

PARTICULAR	31/03/2020	31/03/2019
Profit for the year	6707343	21354259
Weighted Average number of shares for basic earning per share	14984721	10296721
Basic earnings per share	0.45	2.07
Weighted Average number of shares for diluted earning per share	14984721	10296721
Diluted earning per share	0.45	2.07

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

NOTES :- 24 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(1) SIGNIFICANT ACCOUNTING POLICIES :-

(i) METHOD OF ACCOUNTING :-

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :-

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) USE OF ESTIMATES :-

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include future obligations under employee retirement benefit plans, income taxes, scrap value of fixed assets and useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Change in estimates are reflected in the financial statements in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) INVENTORIES :-

Inventories comprise Stock in trade and packing materials. These are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined as follows :-

❖ Stock in Trade	➤	At cost
❖ Packing Materials and Consumables	➤	At cost

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

d) REVENUE RECOGNITION : -

Revenue is primarily derived from sale of traded goods. Revenue from sales is recognized on transfer of significant risks and rewards to the buyer as per the terms of arrangement with the buyer. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. The company presents net of indirect taxes in its statement of profit and loss.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Interest is recognized using the time proportion method, based on rates implicit in the transaction. Dividend income is recognized when the company's right to receive dividend is established.

e) PROVISIONS AND CONTINGENT LIABILITIES : -

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent Liability. A disclosure for a contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

f) TANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS : -

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets if any, are ready for use. Capital work-in-progress if any, comprises direct cost, related incidental expenses and attributable interest, if any.

g) INTANGIBLE ASSETS : -

Intangible assets if any, are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, and the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

h) DEPRECIATION AND AMORTIZATION : -

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part - C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

Intangible assets if any, are amortized over their respective individual useful lives as prescribed under Part - C of Schedule II of the Companies Act, 2013 on straight-line basis, commencing from the date the asset is available to the Company for its use.

Depreciation and Amortization methods, useful lives and residual values are reviewed periodically at each financial year end.

i) IMPAIRMENT : -

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets not selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

j) FOREIGN CURRENCY TRANSACTION : -

Foreign currency denominated monetary assets and liabilities if any, are translated at exchange rate in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

k) RESERCH AND DEVELOPMENT EXPENDITURE : -

Revenue expenditure pertaining to research if any, is charged to Statement of Profit and Loss. Development costs of products are also charged to the statement of Profit and Loss / Reserve for Business restructure unless a product's technological feasibility and commercial viability has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for tangible fixed assets and intangible fixed assets.

l) INCOME TAXES : -

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the company will pay normal tax in future and the resultant asset can be measured reliably. The company offsets, on a year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax asset, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the company has legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by same taxation authority. The income tax provision for the interim period is made based on the best estimate of annual average tax rate expected to be applicable for full financial year.

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

The Company has made provision for Income Tax of Rs. 2508322/= (Rupees twenty five lac eight thousand three hundred twenty two only).

m) EARNING PER SHARE : -

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity share outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior period for approval of financial statements by the Board of Directors.

n) INVESTMENTS : -

Trade investments are the investments made to enhance the company's business interests. Investments are either classified as current or long term based on management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at the cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

o) CASH AND CASH EQUIVALENTS : -

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

p) CASH FLOW STATEMENT : -

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

(2) **RELATED PARTY DISCLOSURE** : -

a) **List of Related Parties** : -

Sr. No.	Name of Related Party	Country	Relationship	% of holding, if any
1	Anand Gokul Bakshi	India	Director	23.39%
2	Shilpa Anand Bakshi	India	Director	6.71%
3	Jayantbhai Mojibhai Mankad	India	Director	-
4	Hema Mishra	India	Director	1.17%
5	Nileshkumar Mangaldas Bodiwala	India	Director	-
6	Gokul Yesvantrai Bakshi	India	Relatives	24.60%
7	Vasuben Gokulbhai Bakshi	India	Relatives	12.77%
8	Jigisha Chorawala	India	Relatives	-
9	Neela Marish Gandhi	India	Relatives	-
10	Anand Gokul Bakshi (HUF)	India	Relatives	-
11	Gokul Bakshi (HUF)	India	Relatives	-
12	Anand Cotex Limited	India	Group Concern	-
13	Dhruv Trading	India	Group Concern	-

b) **Related Party transactions during the year** : -

(Amount in Rs.)

Sr. No.	PARTICULAR	Relationship	Year ended on	
			31/03/2020	31/03/2019
1	<u>Inv. in Eq. Instruments</u> : -		-	-
2	<u>Purchase of Goods</u> : -		-	-
3	<u>Purchase of Fixed Assets</u> : -		-	-
4	<u>Sales of Goods</u> : -		-	-
5	<u>Commission on Sales</u> : -		-	-

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

(Amount in Rs.)

Sr. No.	PARTICULAR	Relationship	Year ended on	
			31/03/2020	31/03/2019
6	<u>Interest on Loan</u> :-			
	Anand Gokul Bakshi	Director	45030.00	971022.00
	Shilpa Anand Bakshi	Director	40515.00	547192.00
	Hema Aruni Mishra	Director	5103000.00	96920.00
	Vasuben Gokulbhai Bakshi	Relatives	35300.00	-
	Gokul Y. Bakshi	Relatives	-	1021003.00
	Jigisha Chorawala	Relatives	30.00	-
	Neela Amrish Gandhi	Relatives	600.00	-
	Anand Gokul Bakshi (HUF)	Relatives	1950450.00	-
	Gokul Y. Bakshi (HUF)	Relatives	2441440.00	-
	Dhruv Trading	Group Concern	903425.00	-
7	<u>Salary Paid</u> :-			
	Gokul Y. Bakshi	Director	-	106935.00
	Anand Gokul Bakshi	Director	2400000.00	1281667.00
	Shilpa Anand Bakshi	Director	1800000.00	950000.00
8	<u>Loan Received</u> :-			
	Anand Gokul Bakshi	Director	1200000.00	-
	Shilpa Anand Bakshi	Director	1200000.00	-
	Hema Aruni Mishra	Director	-	42500000.00

ANAND RAYONS LIMITED

NOTES FORMING PART OF NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31/03/2020.

(2) NOTES ON ACCOUNTS :-

- 1 Balances of debtors and creditors are subject to confirmation.
- 2 Previous year's figures have been regrouped and rearranged wherever necessary.
- 3 Amounts in the Balance Sheet and Profit & Loss Account are rounded off to the nearest rupees.

Signature to Notes 1 to 24.

**For M. R. BOMBAYWALA & CO.
Chartered Accountants.**

**CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431**

SURAT : - 21st August, 2020

For ANAND RAYONS LIMITED

**Anand Gokul Bakshi
Chairman - 01942639**

**Shilpa Anand Bakshi
Director - 07986896**

SURAT : - 21st August, 2020

ANAND RAYONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020

PARTICULAR	Current Year (In ₹)	Previous Year (In ₹)
A. <u>CASH FLOWS FROM OPERATING ACTIVITIES : -</u>		
Net Profit before tax as per Statement of Profit and Loss	9095433	31799551
<u>Adjustments for : -</u>		
❖ Depreciation and Amortisation Expenses	1098755	376834
❖ Interest Income	(7680372)	(531964)
❖ Dividend Income	(97500)	(97500)
❖ Interest Expenses	29482622	32010304
❖ (Gain) / Loss on Sale of Investment	-	-
❖ Net Prior Year's Adjustment	-	-
❖ Effect of Exchange Rate Change	-	-
❖ Loss / (Profit) on Sale / Discarded Assets (Net)	-	-
	31898937	63557225
Operating Profit before Working Capital Changes		
<u>Adjustments for : -</u>		
❖ (Increase) / Decrease in Trade & Other Receivables	91059624	(487774867)
❖ (Increase) / Decrease in Inventories	(90010270)	(20556000)
❖ (Increase) / Decrease in Loans and Advance	(116317481)	(18498278)
❖ Increase / (Decrease) in Deferred Tax Liabilities	-	-
❖ (Increase) / Decrease in Deferred Tax Assets	(120232)	(18236)
❖ (Increase) / Decrease in Trade & Other Payables	(57085779)	112846792
Cash Generated from Operations	(140575201)	(350443364)
❖ Net Prior Year's Adjustment	-	-
❖ Income - Taxes Paid	(2388090)	(10445292)
Net Cash from Operating Activities (A)	(142963291)	(360888656)
B. <u>CASH FLOWS FROM INVESTING ACTIVITIES : -</u>		
❖ Purchase of Fixed Assets	(1069456)	(4631823)
❖ Sale of Fixed Assets	-	-
❖ Proceeds from Sale of Investment	-	-
❖ Purchase of Investment	-	(400000)
❖ Interest Income	7680372	531964
❖ Dividend Income	97500	97500
❖ Increase / (Decrease) in Inter Corporate Deposit	-	-
❖ (Increase) / Decrease in Bank Deposit / Inter Corporate Advance	(1364501)	(7272433)
Net Cash (Used in) from Investing Activities. (B)	5343915	(11674792)

P A R T I C U L A R	Current Year (In ₹)	Previous Year (In ₹)
C. CASH FLOWS FROM FINANCING ACTIVITIES :-		
❖ Proceeds from Issue of Share Capital	46880000	102967210
❖ Security Premium	79696000	-
❖ Share Application Money	-	14514726
❖ Reserve & Surplus (DDT, Div. Tax Etc.)	(9031343)	-
❖ Proceeds from Long - Term Borrowings	-	103362565
❖ Re-payment of Long - Term Borrowings	(11691253)	-
❖ Short Term Borrowings (Net)	59398891	185866002
❖ Interest Paid	(29482622)	(32010304)
❖ Dividend Paid	-	-
Net Cash (Used in) Financing Activities.. (C)	135769674	374700199
Net Increase / (Decrease) in Cash and Cash Equivalents during the year (A + B + C)	(1849701)	2136751
Opening Balance of Cash and Cash Equivalents	2136751	-
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	287050	2136751

(A) CASH AND CASH EQUIVALENTS :-

(i) Balances with banks	284650	2131244
In deposit accounts with original maturity of < 3 months		
In other accounts	-	-
(ii) Cash on Hand	2400	5507
T O T A L	287050	2136751
<i>Difference</i>	-	-

NOTE :-

1 Figures in the brackets represents Cash Outflows

For and on behalf of the Board of Directors of

For **M. R. BOMBAYWALA & CO.**
Chartered Accountants.

For **ANAND RAYONS LIMITED**

CA Mukesh R. Bombaywala
Partner : Mem. No. 041562
Firm Regi. No. : 123117W
PAN No. : ABIPB5899D
UDIN : 20041562AAAACZ7431

Anand Gokul Bakshi
Chairman - 01942639

Shilpa Anand Bakshi
Director - 07986896

Rahul Kumar C. Makwana
Company Secretary

SURAT :- 21st August, 2020

SURAT :- 21st August, 2020

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :-

Registration No.	:-	U51909GJ2018PLC104200 of 2018-19
Registration Date	:-	20th September, 2018
State Code (Refer Code List)	:-	04
Balance Sheet Date	:-	31/03/2020

II. CAPITAL RAISED DURING THE YEAR :- (Amount in ₹ '000)

Public Issue	:-	46880.00
Right Issue	:-	----- Nil -----
Bonus Issue	:-	----- Nil -----
Private Placement	:-	----- Nil -----

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :- (Amount in ₹ '000)

TOTAL LIABILITIES	:-	655785.41
TOTAL ASSETS	:-	655785.41

EQUITY AND LIABILITIES :-

Paid-Up Share Capital	:-	149847.21
Reserve & Surplus	:-	113240.99
Money Rec. against Share Warrant	:-	-
Long Term Borrowing	:-	91671.31
Deferred Tax Liabilities	:-	-
Other Long Term Liabilities	:-	-
Long Term Provisions	:-	-
Current Liabilities	:-	301025.91

ASSETS :-

Fixed Assets	:-	4225.69
Capital Work-in-Progress	:-	-
Intangible Assets under Development	:-	-
Non-Current Investment	:-	400.00
Deferred Tax Assets	:-	138.47
Long Term Loans and Advances	:-	9636.93
Other Non-Current Assets	:-	-
Current Assets	:-	641384.32

IV. PERFORMANCE OF COMPANY :- (Amount in ₹ '000)

Total Turnover	:-	2438893.46
Total Expenditure	:-	2437575.90
Profit/Loss Before Tax	:-	9095.43
Profit/Loss After Tax	:-	6587.11
Earning per Share in ₹	:-	0.44
Dividend Rate %	:-	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY :-

(As per monetary terms)

Item Code No. (ITC Code)	:-
Products Description	:-