

September 2, 2021

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Script Code: 526161

Sub: Annual Report for the Financial Year 2020-21 and Notice convening the 34th Annual General Meeting of Spenta International Limited

Dear Sir/Madam,

Please refer to our letter dated August 13, 2021 informing that the 34th Annual General Meeting (“AGM”) of the Spenta International Limited (“the Company”) is scheduled to be held on Monday, September 27, 2021 at 11:30 A.M. (IST).

Further to the aforesaid communication, and pursuant to Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the following:-

1. Annual Report for the Financial Year 2020-21;
2. Notice convening the 34th AGM of the Company.

The Notice of the AGM along with the Annual Report for FY 2020-21 is being dispatched to all members in electronic mode, whose email ID’s are registered with the Company or Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company or their respective Depository Participants as on cut-off date of Friday, August 27, 2021.

The Notice of 34th AGM and Annual Report for the FY 2020-21 is also available on the Company's website at www.spentasocks.com

You are requested to take the above information on record

Thanking you,

Yours Faithfully,

For Spenta International Limited




Iram Fatima Shaikh
Company Secretary & Compliance Officer

Encl.: As Above

Spenta International Limited
34th Annual Report
2020-2021



SPENTA INTERNATIONAL LIMITED

**34th ANNUAL REPORT
2020-2021**

REGD. OFFICE: PLOT # 13-16, DEWAN INDUSTRIAL ESTATE,
VILLAGE NAVALI, PALGHAR (WEST) - 401404
CIN: L28129MH1986PLC040482
Web site: www.spentasocks.com
Email ID: cs@spentasocks.com

CORPORATE INFORMATION**BOARD OF DIRECTORS:**

| | | |
|--|---|--|
| Mr. Sanjay Gadodia (DIN - 00203433) | : | Chairman, Whole Time Director cum Chief Executive Officer |
| Mr. Danny Hansotia (DIN - 00203497) | : | Managing Director cum Chief Financial Officer |
| Dr. Anita Koti (DIN - 08069112) | : | Independent Non-Executive Director |
| Ms. Sunita Misri (DIN - 06926975) | : | Independent Non-Executive Director |
| Mr. Sashikant Newatia (DIN - 08793440) | : | Independent Non-Executive Director |
| Mr. Dilip Pawar (DIN - 09279715) | : | Additional Independent Non-Executive Director [w.e.f 13 th August 2021] |

COMPANY SECRETARY:

| | | |
|------------------------|---|---|
| Ms. Iram Fatima Shaikh | : | Company Secretary and Compliance Officer [w.e.f 13 th November 2020] |
|------------------------|---|---|

STATUTORY AUDITORS:**A K Kocchar & Associates
Chartered Accountants**

No. 601, Vishveshwar Nagar Rd,
Malad, Reserve Bank of India Staff Quarters,
Raheja Twp, Goregaon, Mumbai - 400063

SECRETARIAL AUDITORS:**HS Associates, Company Secretaries**

206. 2nd Floor, Tantia Jogani Industrial Estate,
J.R. Boricha Marg, Opp. Lodha Excelus,
Lower Parel East, Mumbai - 400011

BANKERS:

DCB Bank Limited
ICICI Bank Limited

REGISTERED OFFICE & FACTORY:

Plot No.13 to 16, Dewan Industrial Estate,
Village Navali, District, Palghar (West) - 401 404
Tel No: 7666625388/7666025388
Email-cs@spentasocks.com
Website: www.spentasocks.com
CIN - L28129MH1986PLC040482

REGISTRAR & SHARE TRANSFER AGENT:**Link Intime India Private Limited,**

C-101, 247 Park,
L.B.S. Marg, Vikhroli (W),
Mumbai - 400 083
Tel: - 022-49186270 Fax: - 022-49186060
Email id:- rnt.helpdesk@linkintime.co.in
Website: - www.linkintime.co.in

LISTING OF EQUITY SHARES:**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001
ISIN: INE175C01018

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SPENTA INTERNATIONAL LIMITED

Registered Office: Plot No.13-16, Dewan Industrial Estate, Village Navali, District -Palghar, Maharashtra, 401404

CIN: L28129MH1986PLC040482 **ISIN:** INE175C01018

Website: www.spentasocks.com **Email ID:** cs@spentasocks.com

NOTICE

Notice is hereby given that the **34th Annual General Meeting** (the "meeting") of **Spenta International Limited** ("the company") will be held on **Monday, September 27, 2021 at 11.30 A.M. (IST)**, through video conferencing / other audio-visual means (VC/OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India in this regard, to transact the following business:

ORDINARY BUSINESS:**1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 including Audited Balance Sheet as at March 31, 2021 and the Statement of Profit & Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:**2. To appoint Mr. Dilip Pawar as Independent Non-Executive Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Articles of the Company, Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), Mr. Dilip Pawar (DIN- 09279715) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Director with effect from August 13 2021 in terms of Section 161 of the Companies Act, 2013 and who shall hold office until the date of the AGM, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing candidature for the office of director in terms of section 160 of the companies Act, 2013, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for five consecutive years up to August 12, 2026 not subject to retirement by rotation, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits of remuneration under the Companies Act, 2013.;

RESOLVED FURTHER THAT any of the Director(s) of the Company be and is hereby severally authorized to do all such acts, deed matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies"

3. To reappoint Mr. Danny Hansotia as Managing Director of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to reappoint Mr. Danny Hansotia (DIN: 00203497) as Managing Director of the Company, for a period of 3 (Three) years, from December 1, 2020 to November 30, 2023 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee in its meeting held on November 12, 2020, with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Shareholders, if so required, in accordance with the provisions of the Companies Act, 2013;

RESOLVED FURTHER THAT any of the director(s) of the Company be and is hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and writings as may be necessary, proper or expedient to give effect to this resolution."

4. To reappoint Mr. Sanjay Gadodia as Whole Time Director of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to reappoint Mr. Sanjay Gadodia (DIN: 00203433) as Whole- Time Director of the Company, for a period of 3 (Three) years, from July 1, 2021 to June 30, 2024 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee in its meeting held on May 28, 2021, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Shareholders, if so required, in accordance with the provisions of the Companies Act, 2013;

RESOLVED FURTHER THAT any of the director(s) of the Company be and is hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and writings as may be necessary, proper or expedient to give effect to this resolution."

5. To approve grant of loan to Spenta Woolens Limited

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

"RESOLVED THAT pursuant to the provisions of Section 185, 186 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other rules, regulations, notifications and circulars issued (including any statutory modifications, clarifications, exemptions or re-enactments thereof, read with relevant rules framed thereunder and subject to such approvals, sanctions, consents and permissions as maybe necessary, from time to time) and the relevant provisions of the Memorandum and Articles of Association of the Company, and in furtherance to the existing loans given, the consent of the Members be and is hereby accorded for grant of loans for an amount not exceeding Rs. 5,00,000/- Lakhs (Rupees Five Lakhs Only) from time to time and in aggregate to Spenta Woolens Limited ("Borrowing Company") to be utilized for the principal business activities of the borrowing company, a company in which directors of the company are interested on such terms and conditions as may be mutually agreed upon;

RESOLVED FURTHER THAT the Board of Directors of the Company, Mr. Danny Hansotia, Chief Financial Officer, be and are hereby severally authorised to negotiate and decide from time to time, the terms and conditions, execute necessary documents, papers, agreements, etc for the aforesaid grant of loans and to do all such acts, deeds and things and to give such directions as may be necessary or expedient in its absolute discretion as it deems fit and such decisions shall be final and binding on the Company and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or any other Officer in this regard."

By order of the Board of Directors
For Spenta International Limited

Sd/-
Iram Fatima Shaikh
Company Secretary and Compliance Officer

Date – August 13, 2021
Place- Palghar

NOTES:

1. In view of the massive outbreak of Covid-19 pandemic, social distancing is the norm to be followed and pursuant to the Ministry of Corporate Affairs ("MCA") vide its Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred

to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("the Meeting") 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"), MCA Circulars and SEBI Circulars, the Meeting of the Company is being held through VC / OAVM.

For this purpose, necessary arrangements have been made by the Company with Link Intime India Private Limited ("LI IPL") and instructions for the process to be followed for attending and participating in the ensuing AGM through VC / OAVM is forming part of this Notice.

2. The statement pursuant to section 102(1) of the Act ("Explanatory Statement") relating to the Item No. 2, 3, 4 and 5 (special business) to be transacted at the meeting is annexed hereto.
3. Pursuant to MCA Circulars and SEBI Circulars, the AGM will be held through VC/OAVM and a Member entitled to attend and vote at the Meeting through Electronic Mode, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
4. Pursuant to Section 113 of the Act representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.
5. Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorisation shall be sent to the Company by email through its registered email address, to cs@spentasocks.com.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the Meeting along with the Annual Report for financial year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for financial year 2020-21 will also be available on website of the Company, i.e. <http://www.spentasocks.com/>, website of the Stock Exchanges i.e. BSE Limited and at www.bseindia.com
7. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 31.
8. Members attending the Meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at cs@spentasocks.com.
10. Notice is also given under Section 91 of the Act read with Regulation 42 of the Listing Regulations, that the Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, 21st September, 2021 to Monday, September 27, 2021 (both days inclusive).
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants ("DPs") in case the shares are held by them in dematerialized form and to the Registrar and Share Transfer Agents of the Company i.e. Link Intime India Pvt Ltd. In case the shares are held by them in physical form.
12. The Company has designated an exclusive email id called cs@spentasocks.com to redress Members' complaints/ grievances. In case you have any queries/ complaints or grievances, then please write to us at cs@spentasocks.com.
13. Members holding equity shares of the Company as on cut-off date i.e. 20th September, 2021 and who would like to express their views or ask questions/queries during the AGM with regard to the Financial Statements or any other agenda item to be placed at the AGM, need to register themselves as a Speaker Shareholder by sending written request from their registered e-mail address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to the Company's email id at cs@spentasocks.com at least 5 days before the AGM i.e. by Wednesday, 22nd September, 2021 3:30 p.m. (IST). Only those Members who have registered themselves as a Speaker will be allowed to speak/ express their views or ask questions/queries during the AGM. The Company reserves the right to restrict the number of speakers and time allotted to speak, as appropriate depending on the availability of time at the AGM for smooth conduct thereof.

14. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

It is in the Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

Members who have not yet encashed the dividend warrants, from the Financial Year ended March 31, 2015 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. Members are requested to contact the Company's Registrar and Share Transfer Agent at the following address, to claim the unclaimed/unpaid dividends:

Link Intime India Pvt. Ltd - (Share Transfer Agent)

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400083
Tel: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: <https://www.linkintime.co.in/>

15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Link Intime India Private Limited, in case the shares are held in physical form.
17. Share transfer documents and all correspondence relating thereto, should be addressed to the Link Intime India Pvt Ltd. at C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 or at their designated email id i.e. rnt.helpdesk@linkintime.co.in.
18. The Company, consequent upon introduction of the Depository System ("DS"), entered into agreements with National Securities Depository Limited ("NSDL") and CDSL. The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialised form through NSDL or CDSL.
19. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates etc. Simultaneously, DS offers several advantages like exemption from stamp duty on transfer of shares, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
21. SEBI has mandated the submission of PAN by every participant of the securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company Link Intime India Pvt Ltd.
22. As mandated by SEBI, effective April 01, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository. Accordingly, the Members of the Company were requested to open a demat account and submit physical securities to their DPs.

23. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risk associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents - M/s. Link Intime India Private Limited for assistance in this regard.
24. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to Link Intime India Pvt Ltd. Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to Link Intime India Pvt Ltd. These forms will be made available on request, alternatively, member can also get in touch with Link Intime India Pvt. Ltd through their email id - rnt.helpdesk@linkintime.co.in.
25. Since the Meeting will be held through VC/ OAVM, the Route Map and Attendance Slip are not annexed to this Notice.
26. The facility for voting through E-voting on the Resolutions shall be made available during the course of AGM for those who have not voted previously
27. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the request of shareholders through E-mail at cs@spentasocks.com.

28. Update KYC Details:

In order to ensure that all communications and monetary benefits are received promptly by all Shareholders holding shares in physical form, the Company advises such shareholders to notify to the Company, any change in their address/ bank details/ email id etc. under the signatures of sole/ first named joint holder along with relevant supporting documents by using the KYC Forms.

SEBI vide its Circular dated 20th April, 2018 had also greatly emphasized on collection of the Bank Account details and the PAN details of the shareholders in order to enable Companies/ RTA to raise standards and provide improved services to the Shareholders.

29. Update E-mails for receiving notice/ documents in e-mode:

The shareholders who have not registered their email addresses are requested to kindly register their e-mail addresses so as to enable the Company to better service shareholder correspondence through e-mode.

In case of shares held in Physical mode: The shareholder may send a request quoting its Folio No. to RTA by email at rnt.helpdesk@linkintime.co.in

In case of shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

In line with the General Circular No. 20/2020 dated 5th May, 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs, your Company is sending the Notice calling the AGM along with the Annual Report to the shareholders in electronic mode at their email addresses.

30. Encash Past Dividend Promptly:

The shareholders are advised to encash their dividend declared in prior years which remains not encashed promptly and revalidate the same before losing right to claim dividend owing to transfer of unclaimed dividends beyond seven years to the Investor Education and Protection Fund.

31. Information and other instructions relating to e-voting and joining the AGM are as under:

- a) In compliance with the provisions of section 108 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 Regulation 44 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, members are provided with the facility to cast their votes electronically. The Company has made necessary arrangement with Link Intime India Pvt. Ltd. To facilitate the members to cast their votes electronically.
- b) The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Monday, 20th September, 2021, may cast their vote electronically. The e-voting period will commence from Thursday, 23rd September, 2021 at 09:00 a.m. (IST) and will end at 05:00 p.m. (IST) on Sunday, 26th September, 2021. The e-voting module will be disabled on Sunday, 26th September, 2021, at 05:00 p.m. (IST). The voting right of shareholders shall be in proportion to their share in the Paid up equity share capital of the Company as on the cutoff date, being Monday, 20th September, 2021.
- c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Monday, 20th September, 2021. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- d) A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e Monday, 20th September, 2021, only shall be entitled to avail the facility of e-voting.
- e) Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- f) Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Monday, 20th September, 2021; such Member may obtain the User ID and password by sending a request at rnt.helpdesk@linkintime.co.in. However, if a member is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.
- g) The Board of Directors of the Company has appointed Mr. Hemant Shetye, Partner of HS Associates, (membership no. 2827, COP: 1483) of Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- h) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote -e voting and make, not later than 2 working days of conclusion of the AGM prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.

The Scrutinizer will submit his report to the Chairman. The result of the voting on the Resolutions shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. September, 27, 2021.

The results declared along with the Scrutinizer's Report, will be placed on the website of the Company www.spentasocks.com. The Result will also be communicated to the Stock Exchange i.e., BSE Limited.

A. MEMBERS ARE REQUESTED TO FOLLOW THE INSTRUCTIONS BELOW TO CAST THEIR VOTE THROUGH REMOTE E-VOTING:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|--|--|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. |

| | |
|--|--|
| | <p>The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</p> |
| <p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p> | <ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| <p>Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.</p> | <ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). Click "confirm" (Your password is now generated). Click on 'Login' under 'SHARE HOLDER' tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. E-voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. |

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
 - Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
 - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
 - The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43. |

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

B. PROCESS, MANNER AND INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM (INSTAMEET) ARE AS UNDER:

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

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

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► **Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).**

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

2. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

- (i) Shareholders who would like to speak during the meeting must register their request 5 days in advance with the company on cs@spentasocks.com
- (ii) Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- (iii) Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- (iv) Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
- (v) Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

3. Instructions for Shareholders/Members to vote during the Annual General Meeting through Instameet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- (i) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- (ii) Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- (iii) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

- (iv) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- (v) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- (vi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

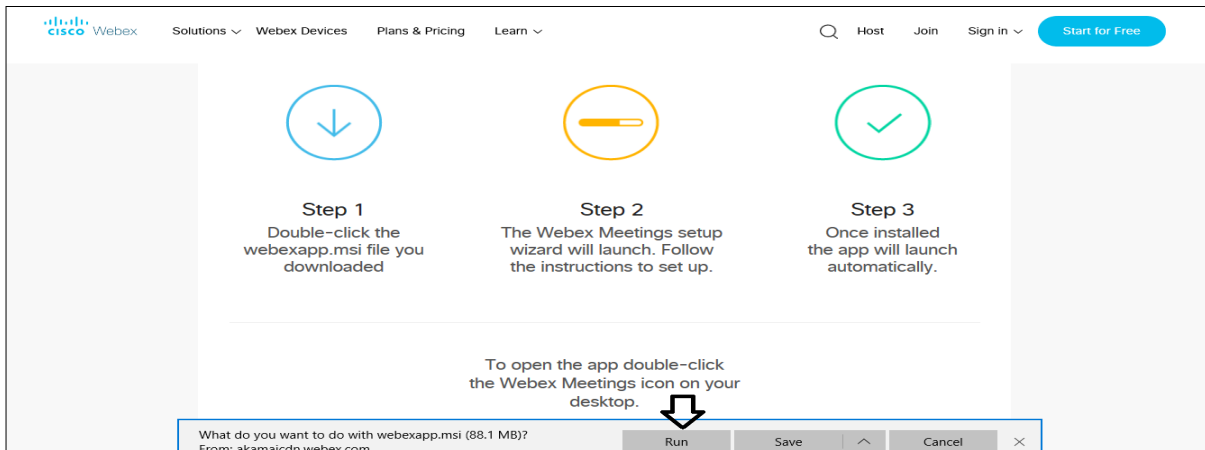
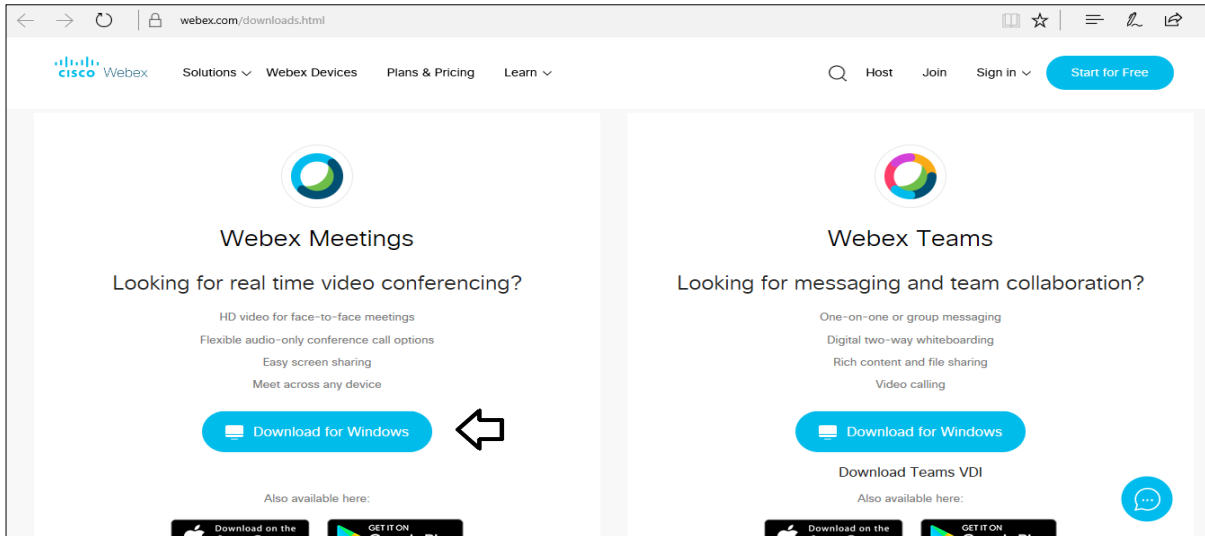
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175

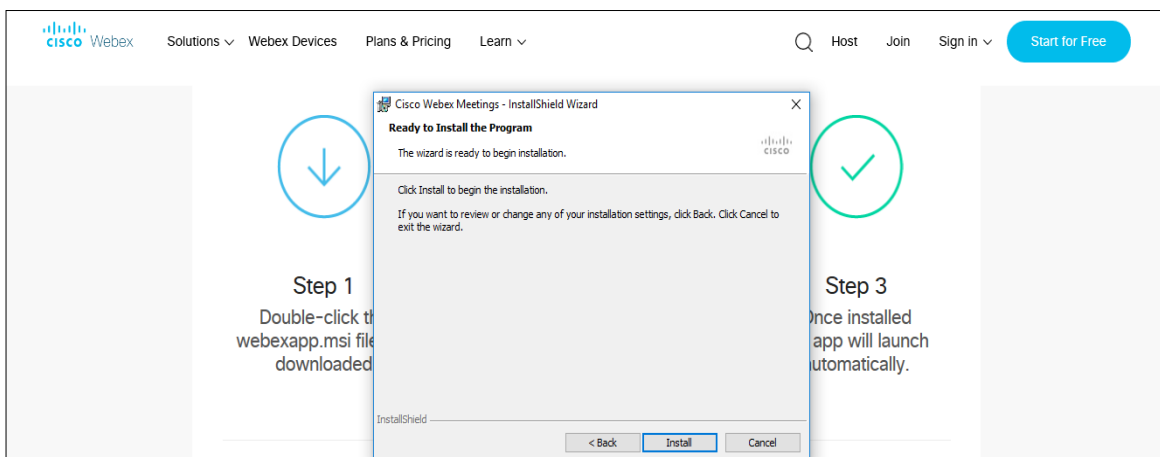
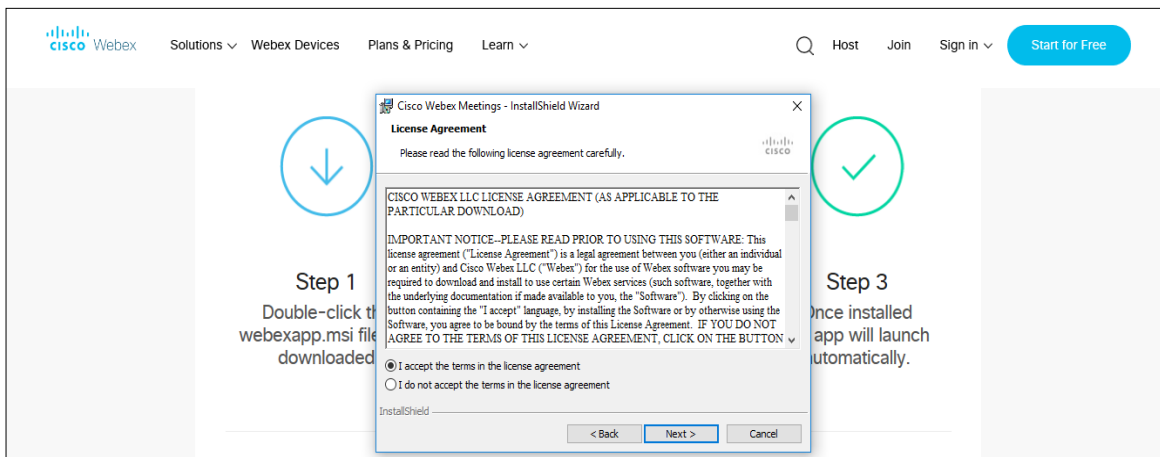
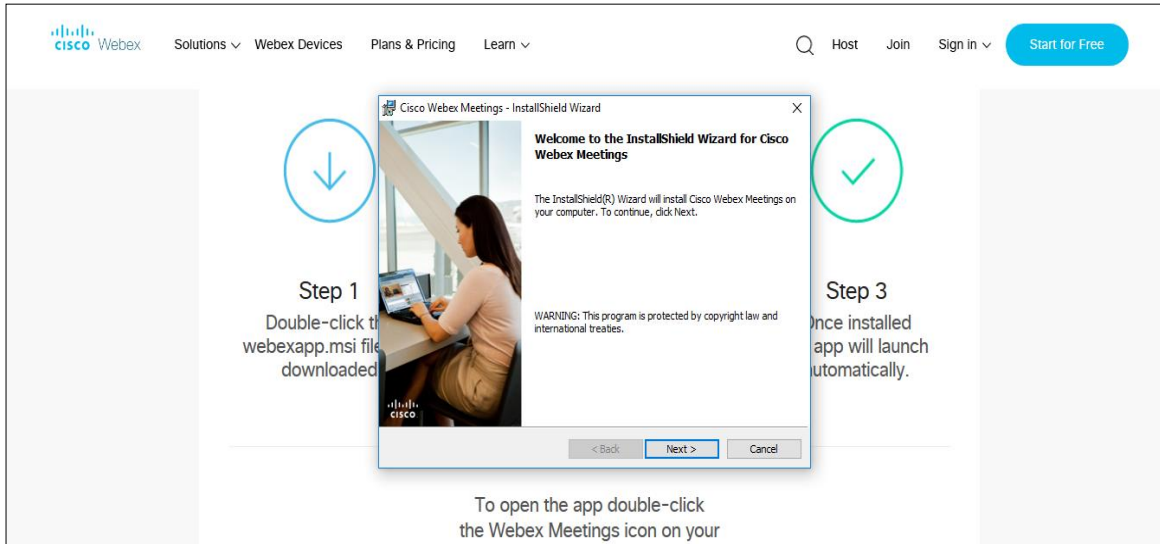
ANNEXURE

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

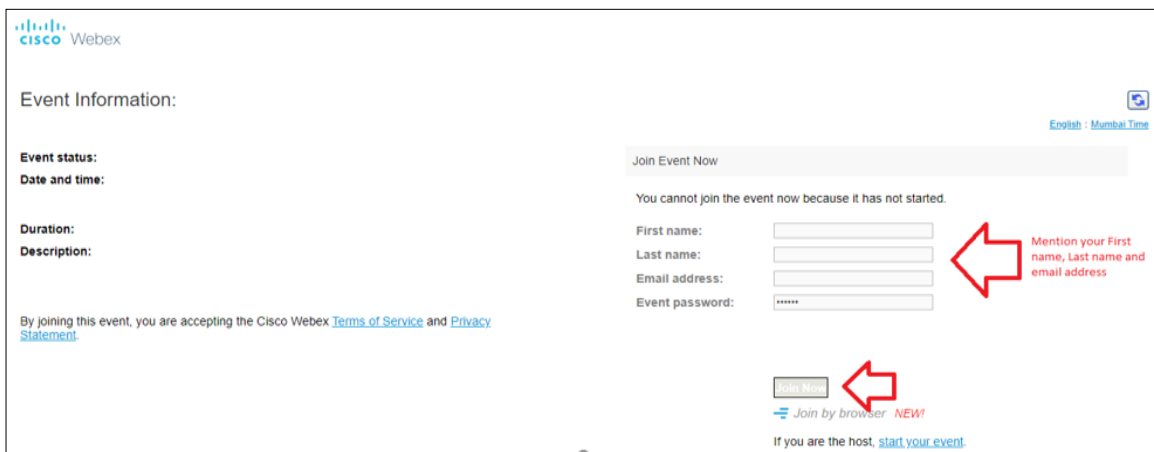




or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

| Step 1 | Enter your First Name, Last Name and Email ID and click on Join Now. |
|--------|---|
| 1 (A) | If you have already installed the Webex application on your device, join the meeting by clicking on Join Now |
| 1 (B) | If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application . Click on Run a temporary application , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now |



By order of the Board of Directors
For Spenta International Limited

Registered Office:

Plot No. 13 to 16,
Dewan Industrial Estate,
Village Navali,
Palghar (West) - 401 404
Email: cs@spentasocks.com
Website: www.spentasocks.com

Sd/-
Iram Fatima Shaikh
Company Secretary and Compliance Officer

Date: August 13, 2021
Place: Palghar

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)
Item No. 2

The Board of Directors at its meeting held on 13th August, 2021 has appointed Mr. Dilip Pawar (DIN- 09279715) w.e.f. 13th August, 2021 as an Additional Director in the category of Non-Executive Independent Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of the Annual General Meeting of the Company.

In terms of section 160 of the Companies Act, 2013, the, Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Dilip Pawar as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has received notice from a member proposing Mr. Dilip Pawar (DIN- 09279715) as a candidate for the office of Director of the Company in terms of Section 160 of Companies Act, 2013.

The Company has received a declaration from Mr. Dilip Pawar confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Dilip Pawar's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Dilip Pawar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management.

In line with the Company's remuneration policy for Independent Directors, Mr. Dilip Pawar will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder, Mr. Dilip Pawar (DIN- 09279715) is proposed to be appointed as an Independent Director of the Company for five consecutive years till 12th August, 2026. The Company has also received declarations from Mr. Dilip Pawar (DIN- 09279715) that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Dilip Pawar (DIN- 09279715) fulfill the conditions for appointment as Independent Directors as specified in the Companies Act 2013, and is independent of the management.

Information as required under Regulation 36(3) of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, is as follows:

| | |
|---|---|
| Name of Director | Mr. Dilip Pawar |
| Director Identification Number (DIN) | 09279715 |
| Date of birth | 28 th June 1967 |
| Age | 54 Years |
| Nationality | Indian |
| Qualifications | MBA (Specialization in Marketing), Diploma in stress Management, M.D., M.B.B.S |
| Date of first Appointment on the Board | 13 th August, 2021 |
| Experience | More than 20 years |
| Nature of his expertise in specific functional areas; | He has acumen and vast experience in the fields of Marketing and Business Management. |
| Relationships between Directors inter-se | None |
| List of the directorships held in other listed companies | None |
| Chairman/ Member in the Committees of the Boards of other companies in which he is Director | None |
| Number of Shares held in the Company as on March 31, 2021 | Nil |

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the members.

Item No. 3

At the Thirty First AGM of the Company held on September 27, 2018 an Ordinary Resolution was passed approving re appointment of Mr. Danny F Hansotia as the Managing Director for a period of 3 years w.e.f. December 1, 2017 to November 30, 2020.

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, re appointed Mr. Danny F Hansotia (DIN: 00203497) on November 12, 2020 with effect from December 1, 2020 for a period of 3 years. The term of office of Mr. Danny Hansotia, Managing Director of the Company was due to expire on November 30, 2020. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Danny Hansotia as the Managing Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on November 12, 2020 has, subject to the approval of the Shareholders, reappointed Mr. Danny Hansotia, for a further period of 3 years from the expiry of his term subject to provisions of the relevant and applicable provisions of the Act, the remuneration will comprise of salary, perquisites, other benefits & allowances as mentioned below.

I. **Salary:** Rs. 2,50,000/- p.m. (Rupees Two Lakhs Fifty Thousand Only) & the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits specified as per the Act.

II. **Minimum remuneration:**

In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the necessary authorities, the remuneration payable to Mr. Danny F. Hansotia by way of salary and perquisites shall be the maximum amount permitted as per Schedule V, as amended from time to time or as approved by the shareholders in the General Meeting.

III. **Perquisites:**

Mr. Danny F. Hansotia as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: as per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India

IV. Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

V. The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.

VI. The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.

- VII. The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in the Act, or any amendment hereafter in that regard.
- VIII. The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment however he shall be entitled to reimbursement of expenses in connection with the business of the company.
- IX. Subject to the provisions of the Act, Director shall not while he continues to hold office of the Managing Director be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of the Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold office of Director for any cause.
- X. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whatsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

Mr. Danny F. Hansotia is interested in the resolution set out at item No. 3 of the Notice as it pertains to his reappointment as Managing Director of the Company.

Information as required under Regulation 36(3) of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, is as follows:

| | |
|---|--|
| Name of Director | Mr. Danny F. Hansotia |
| Director Identification Number (DIN) | 00203497 |
| Date of birth | 13 September 1965 |
| Age | 55 years |
| Nationality | Indian |
| Qualifications | Bachelor's degree in Commerce and qualified Chartered Accountant |
| Date of first Appointment on the Board | 1st October, 2010 |
| Tenure with the Company | 10 years |
| Nature of his expertise in specific functional areas; | Working as Auditor in India well as overseas before promoting this company. His experience as a chartered accountant has helped the company to manage the financial aspects efficiently. |
| Relationships between Directors inter-se | None |
| List of the directorships held in other listed companies | None |
| Number of board Meetings attended during the year | 7 |
| Chairman/ Member in the Committees of the Boards of companies in which he is Director | None |
| Number of Shares held in the Company as on March 31, 2021 | 6,90,277 shares |
| Remuneration details | Proposed remuneration – Rs 2,50,000/- p.m. |

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4

At the Thirty First AGM of the Company held on September 27, 2018 an Ordinary Resolution was passed approving re appointment of Mr. Sanjay Gadodia as the Whole Time Director for a period of 3 years w.e.f. July 1, 2018 to June 30, 2021.

The board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, re appointed Mr. Sanjay Gadodia (DIN: 00203433) as Whole Time Director of the Company on May 28, 2021 for a period of 3 years with effect from July 1, 2021. The term of office of Mr. Sanjay Gadodia, Whole Time Director of the Company was due to expire on June 30, 2011. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Sanjay Gadodia as the Whole Time Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on May 28, 2021 has, subject to the approval of the Shareholders, re-appointed Mr. Sanjay Gadodia for a further period of 3 years from the expiry of his term subject to provisions of the relevant and applicable provisions of the Act, the remuneration will comprise of salary, perquisites, other benefits & allowances as mentioned below.

I. **Salary:** Rs. 2,50,000/- p.m. (Rupees Two Lakhs Fifty Thousand Only) & the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits specified as per the Act.

II. **Minimum remuneration:**

In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the necessary authorities, the remuneration payable to Mr. Sanjay Gadodia by way of salary and perquisites shall be the maximum amount permitted as per Schedule V, as amended from time to time or as approved by the shareholders in the General Meeting.

III. **Perquisites:**

Mr. Sanjay Gadodia as a Whole-Time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: as per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- f) Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India

- XI. Salary and perquisites specified herein shall be payable to the Whole-Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- XII. The Whole-Time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- XIII. The Whole-Time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- XIV. The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in the Act, or any amendment hereafter in that regard.

- XV. The Whole-Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment however he shall be entitled to reimbursement of expenses in connection with the business of the company.
- XVI. Subject to the provisions of the Act, Director shall not while he continues to hold office of the Whole-Time Director be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of the Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Whole-Time Director if he ceases to hold office of Director for any cause.
- XVII. The Whole-Time Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whatsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company and the Whole-Time Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

Mr. Sanjay Gadodia is interested in the resolution set out at item No. 4 of the Notice as it pertains to his reappointment as the Whole Time Director of the Company.

Information as required under Regulation 36(3) of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, is as follows:

| | |
|---|---|
| Name of Director | Mr. Sanjay Gadodia |
| Director Identification Number (DIN) | 00203433 |
| Date of birth | 11 December, 1964 |
| Age | 56 years |
| Nationality | Indian |
| Qualifications | B.Com |
| Date of first Appointment on the Board | 10 th April, 1992 |
| Tenure with the Company | 29 years |
| Nature of his expertise in specific functional areas; | Mr. Sanjay S Gadodia, Whole time Director of the Company, joined his family business of Textiles in 1981 and handled their power looms in Bhiwandi for a career spanning 12 years. His acumen and vast experience in Textile industry brings to Spenta good management systems that are essential for maintaining overall good practices. He is supported by well trained personnel in various areas. His ability to handle Production, Labour and Legal aspects of the company comes from the vast experience gathered in textile industry. |
| Relationships between Directors inter-se | None |
| List of the directorships held in other listed companies | None |
| Number of board Meetings attended during the year | 7 |
| Chairman/ Member in the Committees of the Boards of other companies in which he is Director | None |
| Number of Shares held in the Company as on March 31, 2021 | 6,43,133 shares |
| Remuneration details | Proposed remuneration – Rs 2,50,000/- p.m. |

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

Spenta Woolens Limited ("SWL") is an Unlisted Public Company over which the Executive Directors of Spenta International Limited are able to exercise Significant influence by means of their Directorship and shareholding wherein Mr. Danny Hansotia, Managing Director and Chief Financial Officer is a Director and shareholder holding 19% shares in SWL and Mr. Sanjay Gadodia, Whole Time Director and Chief Executive Officer is also a Director and shareholder in SWL and holding 17.83% shares in SWL. Mr. Danny Hansotia and Mr. Sanjay Gadodia besides holding Directorship, also hold along with their relatives, more than two per cent of the paid-up share capital in SWL i.e Related Party Entity.

The Company is currently in the phase of growth, whereby there is requirement of granting loan to SWL. Accordingly, in order to meet these funding requirement and ensure necessary compliances of the provisions of the Act, the Board of Directors, hereby proposes to grant Unsecured loan from time to time to SWL, upto an aggregate amount not exceeding Rs. 5,00,000 (Five Lakhs Only) for meeting its principal business requirements and discharging payment obligations to regulatory authorities.

The Company has received a request from SWL to provide inter corporate loan for its principal business activities on such terms and conditions as may be negotiated and finalized by the Board of Directors of both the Companies.

Section 185 of the Companies Act, 2013 allows granting of loan or giving guarantee or security in connection with a loan to certain category of persons subject to members' approval by way of special resolution passed in the general meeting.

It be noted that the SWL, is "Related Party" in terms of sub-section 76 of section 2 of the Act and/or sub-regulation (1)(zb) of Regulation 2 of the Listing Regulations.

In compliance with Regulation 23 of Listing Regulations and Company's policy on Related Party Transactions, The Audit Committee of the Company had granted prior Omnibus approval for the said transaction at its meeting held on 13th August, 2021 and subsequently the same was approved by the Board of Directors of the Company at its meeting held on 13th August, 2021 subject to the approval of the shareholders.

The members may note that Board of Directors of the Company has carefully evaluated the proposal taking into consideration the long term fund requirements of the Company in the near future.

All the relevant documents considered at the meeting can be inspected at the office hours on working days at the Registered Office of the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013, except Mr. Danny Hansotia, Mr. Sanjay Gadodia and their immediate relatives by virtue of their shareholding in SWL is, in any way, financially or otherwise, concerned or interested in the resolution.

By order of the Board of Directors
For Spenta International Limited

Registered Office:

Plot No. 13 to 16,
Dewan Industrial Estate,
Village Navali,
Palghar (West) - 401 404
Email: cs@spentasocks.com
Website: www.spentasocks.com

Sd/-
Iram Fatima Shaikh
Company Secretary and Compliance Officer

Date: August 13, 2021
Place: Palghar

Annexure to the Explanatory Statement

Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 and forming part of the explanatory statement to the Notice convening the Annual General Meeting.

(For Item No. 3 to 4)

I. GENERAL INFORMATION

- Nature of Industry: Manufacture
- The Company was incorporated on 25 July, 1986
- Financial Performance:-

(Based on audited published financial statement)

Rs. In Lakhs

| Particulars | 31.03.2021 | 31.03.2020 |
|----------------------------|------------|------------|
| Total Revenue | 2285.73 | 3654.42 |
| Less: Expenses | 2445.20 | 3490.64 |
| Profit / (loss) before tax | -159.47 | 163.78 |
| Less – Tax Expense | -0.20 | 44.62 |
| Profit / (Loss) after Tax | -159.27 | 119.16 |

II. INFORMATION ABOUT THE APPOINTEES
a) Mr. Danny F Hansotia

| | | |
|----|---|---|
| 1. | Background details | Bachelor's degree in Commerce and qualified Chartered Accountant. Working as Auditor in India well as overseas before promoting this company. His experience as a chartered accountant has helped the company to manage the financial aspects efficiently. |
| 2. | Remuneration | The Nomination & Remuneration Committee and Board of Directors of the Company has approved remuneration of 2.50 Lakhs per month as per Companies Act, 2013 read with rules made there under and Schedule V of the Act. |
| 3. | Recognition and Awards | Nil |
| 4. | Job profile and his suitability | Being Managing Director of the Company, he has specialized in marketing and finance. He is responsible for controlling, strategizing and overseeing the firm's business operations, commerce and ventures. |
| 5. | Remuneration proposed | The proposed remuneration is 2.50 Lakhs per month pursuant to provision of Companies Act, 2013 read with rules made thereunder and Schedule V of the Act. |
| 6. | Comparative remuneration profile with respect to industry, size of the company profile of the position and person | Taking into consideration the size of the Company, profile of Mr. Danny F Hansotia, Managing Director, responsibility shouldered on him and the industry standard, the remuneration proposed is commensurate with the remuneration packages paid to Managerial Personnel in similar companies |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Besides the proposed remuneration to be paid to him, Mr. Danny F Hansotia does not have any other pecuniary relationship with the Company directly or indirectly. |

Mr. Danny F Hansotia satisfies all the conditions set out in Part I of Schedule V to the Act and also the conditions set out under sub section 3 of Section 196 of the act being eligible for appointment.

b) Mr. Sanjay Gadodia

| | | |
|----|---|--|
| 1. | Background details | Mr. Sanjay S Gadodia, Whole time Director of the Company, joined his family business of Textiles in 1981 and handled their power looms in Bhiwandi for a career spanning 12 years. His acumen and vast experience in Textile industry brings to Spenta good management systems that are essential for maintaining overall good practices. He is supported by well trained personnel in various areas. His ability to handle Production, Labor and Legal aspects of the company comes from the vast experience gathered in textile industry. |
| 2. | Remuneration | The Nomination & Remuneration Committee and Board of Directors of the Company has approved remuneration of 2.50 Lakhs per month as per Companies Act, 2013 read with rules made there under and Schedule V of the Act. |
| 3. | Recognition and Awards | Nil |
| 4. | Job profile and his suitability | Being Whole Time Director of the Company, he has specialized in productions and HR. He is devoted to supervising the firm's day-to-day proceedings as well as human resource development. |
| 5. | Remuneration proposed | The proposed remuneration is 2.50 Lakhs per month pursuant to provision of Companies Act, 2013 read with rules made thereunder and Schedule V of the Act. |
| 6. | Comparative remuneration profile with respect to industry, size of the company profile of the position and person | Taking into consideration the size of the Company, profile of Mr. Sanjay Gadodia, Whole Time Director, responsibility shouldered on him and the industry standard, the remuneration proposed is commensurate with the remuneration packages paid to Managerial Personnel in similar companies |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Besides the proposed remuneration to be paid to him, Mr. Sanjay Gadodia does not have any other pecuniary relationship with the Company directly or indirectly. |

Mr. Sanjay Gadodia satisfies all the conditions set out in Part I of Schedule V to the Act and also the conditions set out under sub section 3 of Section 196 of the act being eligible for appointment.

III. OTHER INFORMATION

Reasons of loss or inadequate profits:- During the financial year ended March 31, 2021, the profits of the Company may not be adequate due to COVID impact and therefore the remuneration payable to the Managing Director and Whole Time Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.

Steps taken or proposed to be taken for improvement:-

The Company has taken up modernization and expansion from time to time. During 2020-2021, Q3 results showed considerable recovery in demand and business results

Expected increase in productivity and profits in measurable terms:-

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. With the measures taken from time to time in respect of product development, capacity improvement, new market tapping in India and overseas countries as well as measures of cost reduction being undertaken on a continuous basis. The management feels that the productivity and profitability of the Company will improve over period of time.

IV. DISCLOSURES

All the relevant information required to be disclosed in the Board of Directors' Report under the heading "Report on Corporate Governance" attached to the Annual Report will be disclosed as and when required.

By order of the Board of Directors
For Spenta International Limited

Registered Office:

Plot No. 13 to 16,
Dewan Industrial Estate,
Village Navali,
Palghar (West) - 401 404
Email: cs@spentasocks.com
Website: www.spentasocks.com

Sd/-
Iram Fatima Shaikh
Company Secretary and Compliance Officer

Date: August 13, 2021
Place: Palghar

DIRECTOR'S REPORT

To,
The Members,
Spenta International Limited

Your Directors have great pleasure in presenting 34th Annual Report along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2021.

1. Financial Results

The Company's performance during the year ended 31st March, 2021 as compared to the previous financial year, is summarized below:

| Particulars | (Rs. in Lacs) | |
|--|----------------|---------------|
| | FY 2020-2021 | FY 2019-2020 |
| Total Income (including Other Income) | 2285.73 | 3654.42 |
| Gross Profit (before Interest, Depreciation and tax) | 108.01 | 447.46 |
| Less: Interest | 158.02 | 169.26 |
| : Depreciation | 109.46 | 114.41 |
| : Provision for taxation | - | 40.00 |
| - Current | - | |
| - Deferred | -0.20 | 4.62 |
| Net Profit after tax | -159.27 | 119.17 |
| Less: Other Comprehensive Income | -2.05 | -4.58 |
| Total Comprehensive Income for the period | -161.32 | 114.59 |

2. Dividend and Transfer to Reserves

Your Directors have not declared any Dividend for the year under review due to losses incurred in the year on account of ongoing pandemic and macroeconomic environment.

No amount is being transferred to reserves during the year under review.

3. Future Prospects

Company is in the process of optimising production on all the existing machines by manufacturing optimal product mix. Using better quality yarns and doing product innovation by using different finishes, which will enhance the overall quality and help to improve our margins.

4. The Change in the Nature of Business, if any

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

5. Material changes and commitments affecting the Financial position of the Company:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

6. Directors and Key Managerial Personnel

During period under review, following changes took place in the Board Composition.

Mr. Sashikant Newatia was appointed as a Non-Executive Independent Director w.e.f. 17th July, 2020. Mrs. Sunita Misri was appointed as an Independent Director for a second term of five consecutive years w.e.f. 28th August, 2020.

Mr. Danny Hansotia, Managing Director was re-appointed as the Managing Director for a term of 3 consecutive years w.e.f. 1st December, 2020.

Mr. Nitesh Pangle was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 2nd July 2020, he ceased to be the Company Secretary and Compliance Officer of the Company w.e.f. 12th November, 2020 on account of resignation.

Subsequently Ms. Iram Fatima Shaikh was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 13th November, 2020.

7. Cash Flow and Consolidated Financial Statements

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement and Standalone Financial Statements is part of the Annual Report.

8. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There was no transfer during the year to the Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

9. Number of Board Meetings

During the financial year under review, the Board had met Seven times on 30th June, 2020, 2nd July, 2020, 17th July, 2020, 28th August, 2020, 14th September, 2020, 12th November, 2020 and 12th February, 2021.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Attributes, Qualifications & Independence of Directors, their appointment and remuneration

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that composition and remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director.

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the SEBI Listing Regulations. The relevant information has been given in **Annexure D** which forms part of this Report. The policy on Company's Remuneration and Nomination is posted on Company's website at www.spentasocks.com and also annexed hereto as **Annexure E**.

During the year under review, no Independent Director of the Company had resigned. Mr. Sashikant Newatia was appointed as Independent Director with effect from 17th July, 2020 and Mrs. Sunita Misri was appointed as Independent Director with effect from 28th August, 2020.

11. Declaration of Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

12. Meeting of Independent Directors

The Independent Directors met once during the year on 12th February, 2021 to review the working of the Company, its Board and Committees. The meeting decided on the process of evaluation of the Board and Audit Committee. It designed the questionnaire on limited parameters and completed the evaluation of the Board by Non-Executive Directors and of the Audit committee by other members of the Board. The same was compiled by Independent authority and informed to the members.

13. Familiarization Programme for Independent Directors

The familiarization program aims to provide Independent Directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization program also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization program for Independent Directors is posted on Company's website at <http://www.spentasocks.com/>

14. Internal Control System

The Company's internal controls system has been established on values of integrity and operational excellence and it supports the vision of the Company "To be the most sustainable and competitive Company in our industry". The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and their significant audit observations and follow up actions thereon are reported to the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

15. Directors Responsibility Statement

The Board of Directors hereby confirms:

- i) That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the Company for that period.
- iii) That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Annual accounts on a going concern basis.
- v) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

16. Subsidiaries and Associate Companies

The Company does not have any subsidiaries and associate companies as on 31st March, 2021.

17. Deposits

Your Company did not accept any deposits from the public during the year. There are no deposits which have not been claimed by depositors or paid by the Company after the date on which the deposit became due for repayment or renewal, as the case may be, according to the contract with the depositors & there are no total amounts due to the depositors & remaining unclaimed or unpaid.

18. Auditors**a) Internal Auditors**

As per section 138 of the Companies Act, 2013, the Company has appointed M/s. B. G. Dolar & Co., Internal Auditors for the year 2020-2021 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

b) Statutory Auditors

The Company at its 32rd Annual General Meeting held on 30th September, 2019 appointed **M/s. A K Kocchar & Associates**, Chartered Accountants (FRN: 120410W) appointed as Statutory Auditors of the Company for a period of five consecutive years and who shall hold such office from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting at such remuneration as may be mutually decided by the auditors and the Board of Directors thereof. Further the ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of notification no. SO 1833(E) dated 7th May, 2018 issued by the Ministry of Corporate Affairs, and accordingly the item has not been included in the Ordinary Course of Business of this AGM Notice Further, they have confirmed that they are not disqualified as auditors of the Company under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

Auditors' report is self-explanatory and therefore does not require further comments and explanation.

c) Secretarial Auditors

The Board has appointed HS Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for the financial year 2021-2022.

The secretarial Audit report (MR-3) of M/s. HS Associates for the period 2020-21 is annexed herewith as **Annexure-F**.

d) Cost Auditors

As per Section 148 read with Companies (Audit & Auditors) Rules, applicable to cost auditors, the company was not liable to appoint Cost auditors for the financial year 2020-21.

19. Comments of the Board on Auditors' Report

a) Observations of Statutory Auditors on Accounts for the year ended 31st March, 2021: There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in respect of financial statements as on and for the year ended 31st March, 2021.

b) Observations of Secretarial Audit Report for the year ended 31st March, 2021:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from a Practicing Company Secretary. M/s. HS Associates, Practicing Company Secretaries were appointed to conduct Secretarial Audit and issue Report for the financial year 2020-21.

Secretarial Audit Report issued by M/s. HS Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2020-21 forms part of this report. The Secretarial Audit Report is annexed herewith as **Annexure - F**.

In respect of the observations made in the Secretarial Audit report, following are the explanations and comments offered by the Board.

a) During the period 1st April, 2020 to 1st July, 2020 there was no Company Secretary pursuant to Section 203 of the Companies Act, 2013 Read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, in terms of Reg 6(1) of SEBI (LODR), 2015, for the Period from 1st April, 2020 to 1st July, 2020, the Compliance Officer of the Company was not a qualified Company Secretary in Whole Time Employment.

→ **Boards Reply:** The Board approved the appointment of Mr. Nitesh Pangle (ACS No. 60555) as Company Secretary and Compliance officer of the Company w.e.f 2nd July, 2020, who subsequently resigned from the office of Company Secretary and Compliance officer of the Company w.e.f the close of business hours of 12th November, 2020. Thereafter the Board approved the appointment of Ms. Iram Fatima Shaikh (ACS No. 58968) as Company Secretary and Compliance officer of the Company w.e.f 13th November, 2020. Further The Company received mail from BSE vide. SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 1,08,560 (including GST @18%) for late / non-compliance of Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 24, 2021;

b) During the period under review, the Composition of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1)(b) of SEBI (LODR) Regulations, 2015.

→ **Board's Reply:** The Board Appointed Mr. Sashikant N. Newatia (DIN: 08793440) as Independent Director w.e.f 17th July, 2020 to comply with the necessary provision. Further The Company received mail from BSE vide. SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 2,14,760 (including GST @18%) for late / non-compliance of Regulation (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 23, 2021;

- c) Mrs. Anita Prashant Koti, Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee was not present for the 33rd Annual General Meeting of the Company in pursuance of Regulation 18(1)(d), 19(3) and 20(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

→ **Board's Reply:** Since Mrs. Anita Koti was suffering from COVID she had delegated Mr. Sashikant Newatia Non Executive Independent Director to attend on her behalf.

20. Whistle Blower Policy/Vigil Mechanism Policy for the Directors and Employees

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed " Whistle Blower Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The said Policy is available on the website of the Company at <http://www.spentasocks.com/>

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

21. Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors, and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

22. Extract of Annual Return

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2021 is uploaded on the website of the Company and can be accessed at <http://www.spentasocks.com/>

23. Particulars of Contracts or Arrangements made with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as **Annexure B**.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.spentasocks.com.

24. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Details of Loans granted, Guarantees given or Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

25. Conservation of Energy, Technology & Foreign Exchange

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, is required to be given pursuant to provision of Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto marked as **Annexure-A** and forms part of this report.

26. Corporate Governance Report

Report on Corporate Governance and Certificate of Practicing Company Secretary regarding compliance of the Conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2)

of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are enclosed as a separate section and forms part of this report marked as **Annexure H**.

27. Particulars of Employees

The information pursuant to Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to median employee's remuneration is annexed hereto marked as **Annexure-C** and forms part of this report.

28. Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, is annexed hereto marked **Annexure-G** and forms part of this report.

29. Compliance of applicable Secretarial Standards

Your Directors hereby confirm that the Company has complied with the necessary provisions of the revised Secretarial Standard 1 and Secretarial Standard 2 to the extent applicable to the Company.

30. Risk Management Policy

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives and thus in pursuance of the same it has formulated a Risk Management Policy to ensure compliance with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Major risks identified by the businesses and functions are systematically addressed and also discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Significant audit observations and follow up actions thereon are reported to the Audit Committee and the risk management policy is available on the website of the company: www.spentasocks.com.

31. The details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

During the year there has been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

32. Enhancing Shareholder Value

Your company firmly believes that its success, the marketplace and a good reputation are among the primary determinants of value to the shareholder. The organizational vision is founded on the principles of good governance and delivering leading-edge products backed with dependable after sales services.

33. Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices of Raw Materials, Finished Goods, input availability and prices, changes in government regulations, tax laws, economic developments within and outside the country and various other factors. The current Covid 19 pandemic has also affected the operations of the Company.

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, is annexed to this report. (**Annexure G**)

34. Annual Evaluation of the performance of the Board, its Committees and of Individual Directors has been made

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman

who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

35. Committees of the Board

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently three Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

36. Disclosure under the Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, redressal for the benefits of its employees. The Company has also constituted an Internal Complaints Committee/Anti-Sexual Harassment Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Currently there are 10 women employees' working with the Company and a senior women employee has been designated to receive complaints and report such cases to the Anti-Sexual Harassment Committee in this behalf. During the year under review no complaints were received under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. Other Disclosures

The company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same are not applicable.

No application has been made under Insolvency and Bankruptcy Code: hence requirement to disclose the details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable to the Company.

The requirement to disclose the details of difference between amount of valuation done at the time of onetime settlement and valuation done while taking loan from the Banks and Financial Institutions along with the reasons thereof is also not applicable.

38. Acknowledgements

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, lenders, business associates including distributors, vendors and customers, the press and the employees of the Company.

By order of the Board
For Spenta International Limited

Sd/-
Sanjay Gadodia
(Chairman)
DIN: 00203433

Date – August 13, 2021
Place- Palghar

Annexure A

DISCLOSURE ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- i. The steps taken or impact on conservation of energy:
 - Maintained the power factor in the range of 0.998 to 0.999 throughout the year and got rebate in electricity bills
 - By replacing to energy conservation equipment like air compressor, dryer, and motors for better consumption of electricity.
- ii. The steps taken by the company for utilizing alternate sources of energy – We are in talks for installation solar panels and using solar energy to reduce our electricity consumption.
- iii. The capital investment on energy conservation equipment. - NIL

B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption:
 - a. Installation of ETP plant for treatment and conservation of waste water
 - b. Installation of Metal Detectors in Finishing Line to detect metal contamination in socks
 - c. In house repair of electronic parts in the Knitting machine, thus eliminating need to import spare parts frequently
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution:
 1. Improved safety measures and pollution control
 2. Quality and productivity improvement due to advanced Machinery
 3. Cost Reduction
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a. the details of technology imported - NIL
 - b. the year of import - NIL
 - c. whether the technology been fully absorbed - NIL
 - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NIL
- iv. the expenditure incurred on Research and Development – Non-Ascertainable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In lacs)

| Particulars | 31/03/2021 | 31/03/2020 |
|-------------------------------------|-------------------|-------------------|
| Foreign Exchange Earnings: | NIL | NIL |
| Foreign Exchange outgo: | - | - |
| Travelling | 0 | 9.91 |
| Advances for Spares and Consumables | 0 | 0 |
| Plant and Machinery | 0 | 0 |
| Spares & Consumables | 2.32 | 0 |

Form A: Disclosure of Particulars with respect to Conservation of Energy
A. POWER & FUEL CONSUMPTION

| | Particulars | 31.03.2021 | 31.03.2020 |
|----|----------------------------|-------------------|-------------------|
| | Electricity | | |
| a) | Purchased | | |
| | Units (in lacs) (in kwh) | 10.04 | 12.48 |
| | Amount in Rupees (in lacs) | 79.76 | 128.81 |
| | Rate per Unit (in rupees) | 07.94 | 10.32 |

B. CONSUMPTION PER UNIT OF PRODUCTION

| | Particulars | 31.03.2021 | 31.3.2020 |
|--|---------------------------------|-------------------|------------------|
| | | Number of pairs | |
| | Product: Knitted Socks | 23,97,027 | 32,24,394 |
| | Electricity (kwh/pair of socks) | 0.419 | 0.387 |

Annexure B

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

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

| | |
|---|-----|
| (a) Name(s) of the related party and nature of relationship | NIL |
| (b) Nature of contracts/arrangements/transactions | |
| (c) Duration of the contracts / arrangements/transactions | |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) Justification for entering into such contracts or arrangements or transactions | |
| (f) date(s) of approval by the Board | |
| (g) Amount paid as advances, if any | |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

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

| | |
|--|-----|
| (a) Name(s) of the related party and nature of relationship | NIL |
| (b) Nature of contracts/arrangements/transactions | |
| (c) Duration of the contracts / arrangements/transactions | |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e)) Date(s) of approval by the Board, if any: | |
| (f) Amount paid as advances, if any | |

Annexure C
INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

| Name of the directors | Ratio to median Remuneration |
|-------------------------|------------------------------|
| Non-executive directors | |
| Mrs. Sunita Misri | 0.10 |
| Dr. Anita koti | 0.10 |
| Executive directors | |
| Mr. Sanjay Gadodia | 9.87 |
| Mr. Danny Hansotia | 9.87 |

- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|---|--|
| Mr. Sanjay Gadodia | -- |
| Mr. Danny Hansotia | -- |
| Mrs. Sunita Misri | -- |
| Dr. Anita Koti | -- |

- c. **The percentage increase in the median remuneration of employees in the financial year:** 34.25%
- d. **The number of permanent employees on the rolls of Company:** 75
- e. **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There was no increase in managerial remuneration during the year under review.

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company. The policy is available on the company's website: www.spentasocks.com

Annexure D**CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS****Definition of Independence**

- A director will be considered as an 'Independent Director' ('ID') if the person meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
- The definition of Independent Director is as provided in the Act and Listing Regulations.
- Current and ex-employees of the Company may be considered as independent only if he/she has or had no pecuniary relationship with the company during the two immediately preceding financial years or during the current financial year.

Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ('NRC') to consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- IDs ideally should be thought/practice leaders in their respective functions/domains.

Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1. Act in accordance with the articles of the company.
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. Exercise duties with due and reasonable care, skill and diligence and exercise independent judgement.
4. Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company
5. Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
6. Not assign his office.

Additionally, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgement.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act and adopted by the Board. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

Annexure E**POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING****Appointment and removal of Director, Key Managerial Personnel and Senior Management**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term / Tenure**a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/KMP/Senior Management Personnel

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

Annexure F**SECRETARIAL AUDIT REPORT****Form No. MR-3**

For the financial year ended on 31st March, 2021.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

To,
The Members,
SPENTA INTERNATIONAL LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPENTA INTERNATIONAL LIMITED** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2021, 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:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021, to the extent applicable 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;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. Except as mentioned elsewhere in this Report, the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned below:

- i) The Environment Protection Act, 1986; and
- ii) Air (Prevention and Control of Pollution) Act 1981 and Rules issued by State Pollution Control Board; and
- iii) Water (Prevention and Control of Pollution) Act 1974 and Rules issued by State Pollution Control Board; and

We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 as issued and revised by the Institute of Company Secretaries of India with effect from 1st October, 2017.

ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

During the year under review, the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned elsewhere in this report, subject to the following observations:

- d) During the period 1st April, 2020 to 1st July, 2020 there was no Company Secretary pursuant to Section 203 of the Companies Act, 2013 Read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, in terms of Reg 6(1) of SEBI (LODR), 2015, for the Period from 1st April, 2020 to 1st July, 2020, the Compliance Officer of the Company was not a qualified Company Secretary in Whole Time Employment. The Company received mail from BSE vide., SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 1,08,560 (including GST @18%) for late / non-compliance of Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 24, 2021;
- e) During the period under review, the Composition of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1)(b) of SEBI (LODR) Regulations, 2015. The Company received mail from BSE vide., SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 2,14,760 (including GST @18%) for late / non-compliance of Regulation (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 23, 2021;
- f) Mrs. Anita Prashant Koti, Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee was not present for the 33rd Annual General Meeting of the Company in pursuance of Regulation 18(1)(d), 19(3) and 20(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

We further report that:

The Board of Directors of the Company have a balance of Executive Directors and Non-Executive Independent Directors.

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

We 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.

We further report that during the audit period:

1. The Annual General Meeting of the Company for the Financial Year Ended 31st March, 2020 was held on 29th September, 2020 through Video Conferencing / Other Audio-Visual Means (VC/OAVM) in view of Outbreak of COVID-19 Pandemic and the relevant MCA and SEBI circulars
2. The Company has declared and paid Final Dividend of Rs. 0.80/- per share for the year ended 31st March, 2020 which was in compliance with provisions of Section 123 of Companies Act, 2013 read with rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
3. The Company has obtained shareholders' approval for the appointed of Mr. Sashikant. N. Newatia (DIN: 08793440) as a Non-Executive Independent Director for a term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 with effect from July 17, 2020.
4. The Company has obtained shareholders' approval for the re-appointment of Ms. Sunita Misri (DIN: 06926275) as a Non-Executive Independent Director for as second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 w.e.f. August 28, 2020.
5. The Board approved the appointment of Mr. Nitesh Pangle (ACS No. 60555) as Company Secretary and Compliance officer of the Company w.e.f 2nd July, 2020, who subsequently resigned from the office of Company Secretary and Compliance officer of the Company w.e.f the close of business hours of 12th November, 2020. Thereafter the Board

approved the appointment of Ms. Iram Fatima Shaikh (ACS No. 58968) as Company Secretary and Compliance officer of the Company w.e.f 13th November, 2020.

6. Mr. Danny Hansotia, Managing Director was re-appointed as the Managing Director for a term of 3 consecutive year's w.e.f. 1st December, 2020 on such remuneration as may be approved by the shareholders at the ensuing General Meeting.
7. During the year the Company has made application for renewal of consent under Section 25 & 26 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization / Renewal of Authorization under Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016. The approval of the same is pending as on date of signing this report.

Date: August 13, 2021
Place: Mumbai
ICSI UDIN: F002827C000783277

For HS Associates
Company Secretaries

Sd/-
Hemant Shetye
Partner
FCS No.: 2827
CP No.: 1483

Annexure to the Secretarial Auditors Report for the financial year ended March 31, 2021.

To,
The Members,
SPENTA INTERNATIONAL LIMITED

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. This report is based on the data received from the company partially through electronic mode as physical verification of the data and corresponding documents could not be accessed during the course of audit due to the ongoing lockdown on account of COVID-19 pandemic.

Date: August 13, 2021
Place: Mumbai
ICSI UDIN: F002827C000783277

For HS Associates
Company Secretaries

Sd/-
Hemant Shetye
Partner
FCS No.: 2827
CP No.: 1483

Annexure G**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****MANAGEMENT SUMMARY**

The financial year 2020-2021 has seen unprecedented circumstances due to the impact of COVID. This resulted in adverse circumstances for the Company due to lock downs, introduction by various States of COVID related and prolonged closure of trade channels, including various restrictions on opening hours. Throughout the year, management focus has been on health & safety of employees and stakeholders, the introduction of socially distanced safe ways of working, reviving demand & keeping consumers engaged, while reducing costs and preserving cash. The Company would like to convey its heartfelt appreciation to its employees and stakeholders for showing resilience and dedication under the challenging circumstances.

During the financial year, the Company witnessed strong progressive demand recovery quarter by quarter. The Company continues to put health & safety first and actively manages costs and cash flows. While the Company navigates the near term challenging circumstances, the strategy is to remain focused on increasing category penetration, building a strong brand portfolio, managing costs and cash, ensuring further improvements on sustainability, while fostering a highly engaged workforce that is supported by best in class processes.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Indian economy remains one of the fastest growing economy in the world. Socks have come to become an integral part of the daily clothing as well as a fashion statement. With a stable government, a series of strong policies and measures will help our economy to grow at a sustainable rate and increase consumption. With urbanization, increase in income and foreign brands coming to Indian market the domestic consumption is bound to increase.

The socks industry being majorly an unorganized and fragmented sector the entire industry size and figures cannot be estimated. The socks and accessories market in India has grown tremendously over the decade. Indian socks industry is maturing and with urban population evolving, demand for casuals, sports and fashion socks is picking up. Millennials are very brand conscious and demand for branded wear is on the rise. There is growth in the industry in tier I and II markets and brand awareness is growing significantly.

OPPORTUNITIES AND THREATS:

The demand for socks in India and other countries is on the rise. The flow of orders has been progressively increasing for last few years. Your Company is well poised to seize opportunities available in the sock knitting industry on account of its state-of-the-art production facilities, technical expertise, good quality culture and emphasis on product innovation and growth potential.

Market is shifting towards Branded Garment. Your Company has been ahead in making investment in plant and machinery to meet the growth and meet the huge demand creation in the market. Your company is working with international brands. We are constantly experimenting products made from innovative yarns and eco-friendly chemicals for manufacturing most comfortable socks especially for sports. These technically innovative socks are much in demand by international brands.

Given the unrelenting spread of the second wave of pandemic and the large-scale impact on the lives of the people, the near-term outlook for the Indian economy is uncertain impacting the growth prospects, the threat of slow demand for few quarters is possible. Your company therefore is increasing the customer base and also shortly planning to venture into ecommerce selling to overcome this.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:

The Company has one segment activity namely socks, in line with the definition of "segment" as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance of the Company is discussed separately in the Directors' Report.

OUTLOOK:

Due to constant investment in latest machinery your company is able to target a vast audience, enhancing product quality, improving delivery schedules and giving superior customer service. Expectations are high, prospects are bright, but capitalizing on the new emerging opportunities will be a challenge for the socks manufacturing Companies.

The Company's Socks Division is optimistic of growth through continued network expansion and innovation. The Business will continue to focus on increasing the premium and fashion quotient of its offerings on the basis of a deep understanding of consumer preferences and delivering products of world-class quality.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The Internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements. Your Company believes in formulating adequate and effective internal control systems and implementing the same to ensure that assets and interests of the Company are safe guarded and reliability of accounting data and accuracy are ensured with proper checks and balances.

The internal control system ensures compliance with all applicable laws & regulations, key controls, significant business challenges, fraud prevention and controls. Our internal control system facilitates in optimum utilisation of available resources and protect the interests of all stakeholders.

The Company has a sound Management Information System which is an integral part of the control mechanism. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review the total production of the socks was satisfactory. The Loss before tax recorded during the year was Rs. -159.47 Lakhs as against Profit of Rs. 163.78 Lakhs in the previous financial year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

At Spenta, we are committed to sustainable work practices and a transparent work culture. The year gone by brought many challenges owing to Covid led disruptions which posed serious threats to the entire mankind. Amidst all these thought-provoking scenarios, we leveraged use of digital assets to connect with various stakeholders, including our employees. IT tools were optimally utilised for skills enhancement and training of employees when most of the business activities were standstill everywhere.

Maintaining balance between safety of employees and business continuity, Work From Home (WFH) facility was accorded to people immediately post lockdown. As the things started to ease, proactive measures for employees were undertaken like, workplace SOPs, awareness sessions, etc. Similarly, our factories resumed operations with robust hygiene norms and considering all the social-distancing regulations.

As always, people development continues to be an extremely important area in your Company. Anchoring developmental conversations at every level and ensuring that all managers are skilled in holding developmental conversations has been an area of focus. The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights.

The Company had on rolls total of 75 permanent employees as on 31st March, 2021 excluding employees on contract basis and job workers.

CAUTIONARY STATEMENT:

Statements in this "Management Discussion and Analysis" and this Annual Report describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities, pandemics and so on over which Company does not have any direct control.

RISK'S AND CONCERNS:

The major challenge that the textile, apparel and hosiery industry faces is of ever-increasing production costs arising out of rising wages, power and other overheads.

However, the outlook for cotton yarn exporters is negative due to a slowdown in demand for yarn particularly from China, leading to softer yarn realizations and lower capacity utilization. Currently India has a small share in the global textile trade. Industry trackers say that India is well positioned to gain from weak input prices and growing demand for apparels.

The Indian cotton textile sector that has not been faring quite well for the past few years could see some stability in the current financial year as per the report by India Ratings and Research. The sector is expected to maintain an overall stable outlook led by stable spinning margins in the cotton yarn segment, range-bound cotton prices and favorable domestic and export demand. Unfavorable cotton-polyester staple fibre spreads have hurt substitution demand for synthetic fibres and synthetic yarn. Lower export competitiveness of Indian synthetic yarn also contributes to the subdued outlook as import and central excise duty continue on man-made fibres.

Deterioration in supply chain and demand due to pandemic such as COVID-19 have emerged as a significant business risk. Strong supply chain system with robust digitization and interlinking of various divisions is the need of the hour to tackle similar situations in future

RATIO ANALYSIS:

| Particulars | 2020-21 | 2019-20 | Change |
|-----------------------------------|----------------|----------------|---------------|
| Debtors Turnover Ratio | 1.53 | 3.39 | -1.86 |
| Inventory Turnover Ratio | 2.27 | 4.09 | -1.82 |
| Interest coverage Ratio | -0.1 | 1.97 | -1.98 |
| Current Ratio | 1.74 | 1.77 | -0.03 |
| Debt Equity Ratio | 0.79 | 0.59 | 0.20 |
| Operating Profit Margin Ratio (%) | -0.06% | 9.22% | -9.28% |
| Net Profit Margin Ratio (%) | -7.16% | 3.29% | -10.45% |
| Return on Net worth (%) | -6.54% | 4.55% | -11.09% |

Debtors Turnover Ratio: Significant Change due to delay in receiving payments from some customers on account of ongoing Pandemic leading to disruption of business activities

Inventory Turnover Ratio: Significant Change due to drop in sales and non-pick up of goods on time by some customers on account of ongoing Pandemic leading to disruption of business activities

Interest Coverage Ratio: Significant Change due to drop in Revenue and margins and higher bank borrowings on account of ongoing Pandemic leading to disruption of business activities

Current Ratio: No material Change is observed

Debt Equity Ratio: Marginal Change due to higher bank borrowings on account of ongoing Pandemic leading to disruption of business activities

Operating Profit Margin: Significant Change due to increase in expenses and drop in Sales, on account of ongoing Pandemic leading to disruption of business activities especially from April 20 to June 20 due to lockdown impositions

Net Profit Margin: Significant Change due to fall in Operating profit Margin Ratio

Return On Net Worth: Significant Change due to decrease in capacity utilisation on account of decreased demand and increase in costs due to lockdown impositions on account of ongoing Pandemic

IMPACT OF COVID

The entire world today is reeling under the threat of the unprecedented COVID pandemic. This had a huge and significant impact on the global businesses all over the world across sectors and economy including India. COVID has impacted businesses globally by disrupting supply chain, travel, production, consumption and services threatening operations and financial markets. Companies find themselves navigating a new reality, addressing issues from crisis response and business continuity to valuations and financial stress.

The nationwide lockdown implemented in March 2020, led to complete closure of production activities in the last week of March 2020. State by State decisions led to on trade resuming operations from September & October 2020 onwards. Since early March 2021, India has witnessed a second wave of COVID-19 with sudden rise in COVID-19

cases across the country. This has again led to imposing lockdown like restrictions across the country, which is likely to impact, the economic activity of the country as a whole and the Company's operations in particular. The extent to which COVID -19 impacts the operations will depend on future developments which remain uncertain.

The ripple effect of lockdown will have a key impact on India's economy as all business sectors get affected, resulting in low revenue generation due to an eventual halt / slump on the sale of products and / or services. Spenta is not an exception to this scenario. Given such a scenario, companies will have to operate differently to effectively manage the crisis. COVID has changed the way we live, work and use technology.

By order of the Board
For Spenta International Limited

Date – August 13, 2021
Place- Palghar

Sd/-
Sanjay Gadodia
(Chairman)
DIN: 00203433

Annexure H**CORPORATE GOVERNANCE REPORT**

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2021 is presented below:

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for the Board and Senior Management of the Company. In addition, the Company has adopted a Code for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading and the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

The Board of Directors ('the Board') plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Directors of your Company are persons of integrity and bring to the Board a wide range of knowledge, experience, diversity of thought and skills. The Board effectively carries out its responsibilities like providing strategic guidance to the Company, code of conduct for the executives, disclosure of information about their concerns and interests, adherence to the Code of Conduct etc. and the Board applies high ethical standards and acts with due diligence, care and in the best interest of the Company and its stakeholders.

The Board of Directors are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

a. Composition of the Board and category of the Director:

The composition of the Board of the Company is in compliance with the provisions of Regulation 17 of the Listing Regulations. The Company has a judicious mix of Executive, Non- Executive and Independent Directors to ensure proper governance and management. As on 31st March 2021 the Board comprised of 5 (Five) Number of Directors of which, 2 (Two) Executive Directors, 3 (Three) Non-Executive - Independent Directors including two Woman Director. Further Mr. Sanjay Gadodia, Whole Time Director heading the Board as Chairman. As on 31st March 2021, the Independent Directors of the Company, have confirmed that they satisfy the criteria of independence as prescribed under Reg. 16 (1) (b) of SEBI (LODR) Regulations 2015 and Companies Act, 2013.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In case of business exigencies, the Board's approval is taken through circular resolutions.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner. The Independent Directors provide a confirmation to the effect that they meet the criteria of independence as defined under the Companies Act, 2013. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as

prescribed under Regulation 17A of the Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

b. Term of Board Membership

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

During the year the members of the Company at the 33rd AGM appointed Mr. Sashikant. N. Newatia (DIN: 08793440) as a Non-Executive Independent Director for a term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 with effect from July 17, 2020 and re-appointed Ms. Sunita Misri (DIN: 06926275) as a Non-Executive Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 w.e.f. August 28, 2020.

The Board of Directors re-appointed Mr. Danny Hansotia (DIN: 00203497) as Managing Director was re-appointed as the Managing Director for a term of 3 consecutive years w.e.f. 1st December, 2020 on such remuneration as may be approved by the Members at the ensuing Annual General Meeting

Section 149 of the Companies Act, 2013, provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. However, the Independent Directors shall not retire by rotation.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2021 are given herein below. Other Directorships do not include Directorships in private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of Board committees includes only audit committee and stakeholders' relationship committee of Public Limited Company (whether listed or not).

The details of each member of the Board as on March 31, 2021 along with the number of Directorship(s)/ Committee Membership(s)/ Chairmanship(s) are provided herein below:

| Name of the Director & DIN | Category | Number of Shares held | Number of Directorship in other Public Limited Companies* | Number of Membership/ Chairmanship in Committees of Boards of other Public Limited Companies# | | Names of other Listed Companies in which he/she holds Directorship and category of Directorship | Inter-se Relationship between Directors |
|---------------------------------------|---|-----------------------|---|---|-----------|---|---|
| | | | | As Chairman | As Member | | |
| Mr. Sanjay Gadodia (DIN: 00203433) | Promoter, Chairman, Whole Time Director cum Chief Executive Officer | 6,43,133 | 1 | - | - | NIL | NIL |
| Mr. Danny Hansotia (DIN: 00203497) | Promoter, Managing Director cum Chief Financial Officer | 6,90,277 | 1 | - | - | NIL | NIL |
| Mrs. Sunita Misri (DIN: 06926975) | Independent and Non-Executive Director | - | - | - | - | NIL | NIL |
| Dr. Anita Koti (DIN: 08069112) | Independent and Non-Executive Director | - | - | - | - | NIL | NIL |
| Mr. Sashikant Newatia (DIN: 08793440) | Independent and Non-Executive Director | - | - | - | - | NIL | NIL |

*Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

#Includes only the membership of Audit and Stakeholders' Relationship Committees of Indian Public Limited Companies.

c. Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. It meets at least once in a quarter to review the Company's quarterly performance and financial results. Board meetings are governed with a structured agenda. The Agenda for the Board and Committee meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Managing Director & CFO of the Company. The agenda of the Board and Committee meetings are pre-circulated in advance with detailed notes and supporting documents. In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The Board periodically reviews the compliance reports with respect to laws and regulations applicable to the Company.

During the financial year 2020-21, the Board met 7 (Seven) times. The meetings were held on 30th June 2020, 2nd July 2020, 17th July 2020, 28th August 2020, 14th September 2020, 12th November 2020 and 12th February 2021 the intervening gap between two meetings did not exceed one hundred twenty days between any two consecutive meeting.

The required quorum was present at all the above Board Meetings and all Resolutions are approved unanimously/ with requisite majority and recorded in the minutes. There was no instance of Adjournment of any of the said Meetings. The Board periodically reviews and discussed the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The minutes of proceedings of each board meetings are maintained in terms of statutory provisions. Meetings of various committees are held properly. The minutes of the Committee Meetings were periodically placed before the Board.

Attendance of Directors at Board Meetings and at last Annual General Meeting (AGM) are given in the table below:

| Name of the Director & DIN | Attendance at Board Meeting during FY 2020-21 | | Attendance at Last AGM held on 29 th September 2020 |
|---|---|-----------------------------|--|
| | Number of Board Meetings held | Number of Meetings attended | |
| Mr. Sanjay Gadodia (DIN: 00203433) | 7 | 7 | Yes |
| Mr. Danny Hansotia (DIN: 00203497) | 7 | 7 | Yes |
| Mrs. Sunita Misri (DIN: 06926975) | 7 | 7 | No |
| Dr. Anita Koti (DIN: 08069112) | 7 | 7 | No |
| Mr. Sashikant Newatia# (DIN: 08793440) | 7 | 4 | Yes |

#Mr. Sashikant Newatia (DIN: 08793440) was appointed as an Independent Director w.e.f. 17th July, 2020

Date-wise attendance at Board Meeting:

| Name of the Director & DIN | June 30, 2020 | July 2, 2020 | July 17, 2020 | August 28, 2020 | September 14, 2020 | November 12, 2020 | February 12, 2021 |
|---|---------------|--------------|---------------|-----------------|--------------------|-------------------|-------------------|
| Mr. Sanjay Gadodia (DIN: 00203433) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Danny Hansotia (DIN: 00203497) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mrs. Sunita Misri (DIN: 06926975) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dr. Anita Koti (DIN: 08069112) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Sashikant Newatia# (DIN: 08793440) | N.A. | N.A. | N.A. | Yes | Yes | Yes | Yes |

#Mr. Sashikant Newatia (DIN: 08793440) was appointed as an Independent Director w.e.f. 17th July, 2020

The Board Meetings were conveyed after sufficient days of Notice to the Board Members along with the Agenda for the meeting with necessary documents with all the required information pursuant to provisions of Companies Act, 2013 and SEBI Listing Regulations.

d. Familiarization Programme for Independent Directors:

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarise them with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company. The details of the familiarization programmes imparted to Independent Directors is available on the Company's website of the Company at: <http://www.spentasocks.com>.

e. Matrix setting out the skills/expertise/competence required in the context of its business for it to function effectively and those actually available with the Board:

In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise /competencies of the Directors in the context of the Company's business for effective functioning as given below:

| Sr. No. | Areas of expertise required | Description | Skill areas actually available with the Board |
|---------|--|---|---|
| 1. | Experience of crafting Business Strategies | Experience in developing long-term strategies to grow consumer business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions. | Yes |
| 2. | Governance, Risk and Compliance | Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance. | Yes |
| 3. | Finance and Accounting experience | Comprehensive understanding of financial accounting, reporting and controls and analysis. | Yes |
| 4. | Sales, Marketing & Brand building | Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation. | Yes |
| 5. | Understanding of Consumer and Customer Insights in diverse environments and conditions | Experience of having managed organisations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits. | Yes |

Expertise/ Skills of Directors

| Name of the Director & DIN | Expertise / Skills | | | | |
|---------------------------------------|--|---------------------------------|-----------------------------------|-----------------------------------|--|
| | Experience of crafting Business Strategies | Governance, Risk and Compliance | Finance and Accounting experience | Sales, Marketing & Brand building | Understanding of Consumer and Customer Insights in diverse environments and conditions |
| Mr. Sanjay Gadodia (DIN: 00203433) | Yes | Yes | Yes | Yes | Yes |
| Mr. Danny Hansotia (DIN: 00203497) | Yes | Yes | Yes | Yes | Yes |
| Mrs. Sunita Misri (DIN: 06926975) | Yes | Yes | Yes | Yes | -- |
| Dr. Anita Koti (DIN: 08069112) | Yes | Yes | Yes | -- | Yes |
| Mr. Sashikant Newatia (DIN: 08793440) | Yes | Yes | Yes | Yes | Yes |

f. Board Evaluation

The Board has carried out an annual performance evaluation of its own performance and that of its Committees as well as of performance of the Directors individually. The Nomination and Remuneration Committee laid down the criteria for such performance evaluation. The evaluation process was carried out internally in FY 2020-21. Each Board member completed a questionnaire on other Board members for peer evaluation and a questionnaire to provide feedback on Board, its Committees and their functioning. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process. The contribution and impact of individual members was evaluated on parameters such as level of engagement, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. The peer ratings on certain parameters, positive attributes and improvement areas for each Board member were also provided to them in a confidential manner.

g. Separate Meeting of Independent Directors:

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors was held on 12th February, 2021 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company attended the Meeting of Independent Directors held on February 12, 2021. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

There is no such case of resignation of an Independent Director who resigns before the expiry of his/her tenure.

COMMITTEES OF THE BOARD:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

3. Audit committee:

The Audit Committee acts as a link between the Independent Auditors, Internal Auditors, the Management and the Board of Directors and entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Audit committee interacts with the Internal Auditors, Statutory Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

a. Terms of Reference of the Committee

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The terms of reference & powers of the Audit Committee are prescribed under Part C of Schedule II of The SEBI (LODR) Regulations, 2015 which inter alia, include the following:

Powers of the Audit Committee

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

Terms of reference / role of the Audit Committee

- i. Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- iv. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required being included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgments by the management.
 - d) Significant adjustments made in the financial statements arising out of Audit findings.
 - e) Compliance with the listing and other legal requirements relating to financial statements.
 - f) Disclosure of Related Party Transactions.
 - g) Review of the Draft Statutory Audit Report.
- v. Review with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc., the statement of fund utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- viii. Approval or any subsequent modification of transactions of the company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the company, whenever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.
- xii. Review with the management, the performance of Statutory and Internal Auditors, adequacy of Internal Control Systems.
- xiii. Review the adequacy of Internal Audit function, including the structure of the internal audit department, staffing and seniority of the officials heading the department, coverage and frequency of the Internal Audit.
- xiv. Discussion with Internal Auditors, any significant findings and follow up thereon.
- xv. Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xvi. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xvii. To look into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of dividend) and creditors.
- xviii. To review the functioning of the Whistle Blower Mechanism.
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that functions after assessing the qualifications, experience and background, etc. of the candidate.
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xxi. To review the following information:
 - a) The management discussion and analysis of financial conditions and results of operations.
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
 - c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
 - d) Internal Audit Reports relating to internal controls and weaknesses, and
 - e) The appointment, removal and terms of remuneration of Chief internal auditors shall be subject to review by the Audit Committee.

In addition to the aforesaid, the Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Regulations as amended from time to time and that of the Act.

b. Composition of Committee, Meetings and Attendance

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. Sashikant Newatia, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the Financial

Year ended March 31, 2021 are as under:

| Name of the Member | Category | Position | Audit Committee Meetings | |
|-------------------------|---------------------------|-------------|--------------------------|----------|
| | | | Held | Attended |
| Mr. Sashikant Newatia\$ | Independent Non-Executive | Chairperson | 4 | 3 |
| Mrs. Sunita Misri | Independent Non-Executive | Member | 4 | 4 |
| Dr. Anita Koti@ | Independent Non-Executive | Member | 4 | 4 |
| Mr. Danny Hansotia# | Executive Director | Member | 4 | 1 |

#Danny Hansotia ceased to be the member of the Audit Committee w.e.f. July 17, 2020.

\$Sashikant Newatia was appointed as a member of the Audit Committee w.e.f. 17 July, 2020 and designated as a Chairperson of the Committee w.e.f. 12 November, 2020.

@Anita Prashant Koti ceased to be the chairperson of the Audit Committee w.e.f. 12 November 2020. However she continued to be the member of the Audit Committee

The Company Secretary acts as the Secretary to the Committee. Audit Committee met 4 (Four) times during the financial year 2020-21 on June 30, 2020, September 14, 2020, November 12, 2020 and February 12, 2021. The gap between two Audit committee meetings was not more one hundred and twenty days between any two consecutive meetings. Requisite quorum was present at the above Meetings.

The key risks and mitigating actions are also placed before the Audit Committee of the Company. Significant audit observations and follow up actions thereon are reported by the Committee. The Committee reviews adequacy and effectiveness of the Company's Internal Control Environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Audit Committee meetings were also attended by the Managing Director and Chief Financial Officer, Company Secretary, partner of Internal Auditors and partner of Statutory Auditors of the Company. The minutes of the meetings of the Audit Committee were periodically placed before the Board.

The Chairman of the Audit Committee Anita Koti was not present at the Company's 33rd Annual General Meeting (AGM) held on September 29, 2020 since she was affected with COVID.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is constituted in accordance with provisions of sub section (1) of Section 178 of the Companies Act, 2013 and Regulation 19 (4) read with Part-D of Schedule-II of Listing Obligations and Regulations.

The Company Secretary acts as the Secretary to the Committee.

a. Terms of Reference of the Nomination and Remuneration Committee

- i. Recommend to the Board, the set up and composition of the Board and its committees, including the "formulation of the criteria and for determining qualifications, positive attributes and independence of a director." The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, Independence, knowledge, age, gender and experience.
- ii. Recommend to the Board the appointment or reappointment of directors.
- iii. Recommend to the Board the Appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by the committee).
- iv. Carry out an evaluation of every director's performance and support the Board, its committees and individual directors in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- v. Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- vi. On an annual basis, recommend to the Board the remuneration Policy for directors, and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- vii. Oversee the familiarization programmes for directors.
- viii. Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, Key Managerial Personnel and executive team).
- ix. Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

b. Composition of Committee, Meetings and Attendance

The composition of the NRC and details of meetings attended by its members during the Financial Year ended March 31, 2021, are given below:

| Name of the Member | Category | Position | Nomination and Remuneration Committee Meetings | |
|-------------------------|---------------------------|-------------|--|----------|
| | | | Held | Attended |
| Mrs. Sunita Misri% | Independent Non-Executive | Chairperson | 5 | 5 |
| Dr. Anita Koti@ | Independent Non-Executive | Member | 5 | 5 |
| Mr. Sashikant Newatia\$ | Independent Non-Executive | Member | 5 | 2 |
| Mr. Danny Hansotia# | Executive Director | Member | 5 | 3 |

#Danny Hansotia ceased to be the member of the NRC w.e.f. July 17, 2020.

\$Sashikant Newatia was appointed as a member of the NRC w.e.f. 17 July, 2020

@Anita Prashant Koti ceased to be the chairperson of the NRC w.e.f. 12 November 2020. However she continued to be the member of the NRC.

%Sunita Misri was designated as a Chairperson of the NRC w.e.f. 12 November, 2020.

The NRC met 5 (Five) times during the financial year 2020-21 on June 30, 2020, July 2, 2020, July 17, 2020, August 28, 2020 and November 12, 2020.

c. Remuneration policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. The remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and (variable component) to its managing director and the executive directors.

The Remuneration policy of the Company is available on the website of the Company at <http://www.spentasocks.com>.

d. Criteria for Performance Evaluation of Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2020 - 21 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship Committee.

A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017.

The criteria for performance evaluation of Independent Directors cover the areas relevant to the functioning of the Independent Director such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and during the evaluation the Director(s) who is subject to evaluation did not participate.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

5. REMUNERATION OF DIRECTORS:
a. Formulation of Nomination and Remuneration Policy:

The Nomination and Remuneration Committee shall ensure that—

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

b. Pecuniary transactions with Non-Executive Directors

During the year under review, there were no pecuniary transactions with any of the Non-Executive Director of the Company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year. The register of Contracts is maintained by the Company under Section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

c. Criteria for making payments

Non-Executive Directors of the Company are paid sitting fees for attending Board and Committee Meetings and no Commission is drawn by either of them during the year under review.

The details of remuneration paid to Non-Executive Directors during the financial year 2020-21 are as under:

| Name of Director | Mrs. Sunita Misri | Dr. Anita Koti | Mr. Sashikant Newatia |
|-------------------------|------------------------------------|------------------------------------|------------------------------------|
| Designation | Independent Non-Executive Director | Independent Non-Executive Director | Independent Non-Executive Director |
| Sitting Fee | 30,000 | 30,000 | 21,250 |
| Remuneration | - | - | - |
| No. of Equity shares | - | - | - |
| Commission | - | - | - |

Directors are not provided with any performance linked incentives.

None of the Directors have service contracts, apart from agreements made towards their appointment as Whole Time Director / Managing Director. The notice period for resignation is 30 days however due to certain unavoidable circumstances notice of resignation can be served without the mandatory period of 30 days.

The Company has not issued any Stock Options either to its Directors or to its Employees.

d. Details of Remuneration Paid to Directors/KMP during the year 2020-21

Executive directors of the Company are appointed by the Board of Directors subject to the approval of shareholders in the general meeting. The remuneration package of the executive directors is determined by the Nomination and Remuneration Committee within the permissible limits, subject to approval by the Board and shareholders in their respective meetings as per applicable provisions of the Companies Act, 2013.

The details of remuneration paid to Executive Directors during the financial year 2020-21 are as under:

| Name of Director | Mr. Danny Hansotia | Mr. Sanjay Gadodia |
|--------------------------|---------------------------|---------------------------|
| Designation | Managing Director | Whole Time Director |
| Salary | INR 27,50,000 | INR 27,50,000 |
| Performance bonus | - | - |
| PF & Gratuity | - | - |

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Committee is responsible for addressing the investor complaints and grievances. The Committee meets on a periodic basis to address the investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

a. Terms of Reference of the Stakeholders Relationship Committee:

- a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- e. Review of corporate actions, if any.
- f. Review of documents submitted to Stock Exchanges.
- g. Any other matters assigned to it with relation to the Companies Act, 2013 and Listing Regulations.

b. Composition of Committee, Meeting and Attendance:

The composition of the SRC and details of meetings attended by its members during the Financial Year ended March 31, 2021, are given below:

| Name of the Member | Category | Position | Stakeholders Relationship Committee Meetings | |
|--------------------|---------------------------|-------------|--|----------|
| | | | Held | Attended |
| Dr. Anita Koti | Independent Non-Executive | Chairperson | 5 | 5 |
| Mrs. Sunita Misri | Independent Non-Executive | Member | 5 | 5 |
| Mr. Danny Hansotia | Executive Director | Member | 5 | 5 |

The SRC met 5 (Five) times during the financial year 2020-21 on June 30, 2020, September 14, 2020, November 4, 2020 and November 12, 2020 and February 12, 2021.

The necessary quorum was present for all the meetings. The minutes of the meetings of the Committee were periodically placed before the Board.

c. Name and designation of Compliance Officer:

Ms. Iram Fatima Shaikh Company Secretary, acts as Compliance Officer of the Company with effect from November 13, 2020. Before her, Mr. Nitesh Pangle served as the Company Secretary and Compliance Officer of the Company with effect from July 2, 2020 to November 12, 2020.

Mr. Danny Hansotia, Managing Director also served as the Compliance Officer for the period April 1, 2020 to July 1, 2020.

Ms. Iram Fatima Shaikh can be reached out at the corporate office of the Company at:

B/1303, Naman Midtown,
Senapati Bapat Marg,
Next to India Bulls Financial Centre,
Elphinstone Road (W), Mumbai – 400013.
Tel: 022-24300050/10
Email:- cs@spentasocks.com

The Company has appointed M/s. Link Intime India Private Limited as the Registrar and Share Transfer Agent to handle the investor grievances in co-ordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

d. Details of Shareholder Complaints:

Details of Shareholder Complaints [including SEBI Complaints Redress System (SCORES) complaints] received by the Company and Resolved during the year 2020-21:

| Particulars | No of Complaints |
|---|------------------|
| No. of complaints pending as on April 1, 2020 | Nil |
| Number of Investors Complaints received during financial year 2020-21 | Nil |
| Number of complaints resolved during the financial year 2020-21 | Nil |
| Number of pending complaints as on 31 st March 2021 | Nil |

Number of Complaints not solved to the satisfaction of shareholders - During the year, no complaints were received, and hence this is not applicable.

e. Unclaimed Dividend and shares

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of seven years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) and such shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government.

Unclaimed Dividend in respect of the financial year 2014- 15 (Final) and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 4th November, 2022 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividend in respect of the financial year ended 31st March, 2015 or any subsequent year(s) are requested to lodge their claims with the Company.

In respect of Final Dividend for the financial year ended 31st March, 2015, it will not be possible to entertain claims which are received by the Company after 4th November, 2022. Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for the same with the IEPF authority by making an application in the prescribed Form No. IEPF-5.

The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

| Financial Year | Dividend Type | Dividend per share | Date of Declaration | Due date of transfer to IEPF |
|----------------|---------------|--------------------|---------------------|------------------------------|
| 2014-2015 | Final | Rs. 1.10/- | 29-09-2015 | 04-11-2022 |
| 2015-2016 | Final | Rs. 1.20/- | 28-09-2016 | 03-11-2023 |
| 2016-2017 | Final | Rs. 1.30/- | 25-09-2017 | 31-11-2024 |
| 2017-2018 | Final | Rs. 1.50/- | 27-09-2018 | 02-11-2025 |
| 2018-2019 | Final | Rs. 1.50/- | 30-09-2019 | 05-11-2026 |
| 2019-2020 | Final | Rs. 0.80/- | 29-09-2020 | 04-11-2027 |

Shareholders are requested to get in touch with Registrar and Transfer Agent (RTA) for encashing the unclaimed dividend amount, if any, standing to the credit of their account.

7. GENERAL BODY MEETINGS:

Details of previous 3 Annual General Meetings (AGM) are as under:

| AGM No. | Financial Year | Venue | Day & Date of AGM | Time | No. of Special Resolution(s) passed | Details of Special Resolution(s) passed |
|------------------|----------------|---|---|----------|-------------------------------------|--|
| 33 rd | 2019-20 | Through Video Conferencing /Other audio-visual means | Tuesday, September 29 th , 2020 | 11.30 AM | 1 | Re-appointment of Mrs. Sunita Misri (DIN: 06926975) as Non-Executive Independent Director for another term of five years w.e.f. 28 th August, 2020. |
| 32 nd | 2018-19 | Plot No. 13 to 16, Dewan Industrial Estate, Village Navali, Dist. Palghar (West) – 401404 | Friday, September 27 th , 2019 | 11.30 AM | 1 | Adopt new set of Memorandum of Association of the Company under Companies Act, 2013. |
| 31 st | 2017-18 | Plot No. 13 to 16, Dewan Industrial Estate, Village Navali, Dist. Palghar (West) – 401404 | Thursday, September 27 th , 2018 | 11.30 AM | 1 | To ratify the appointment of Dr. Anita Koti as Independent Non-Executive Director of the Company. |

All Special Resolutions set out in the notices for the Annual General Meeting were passed by shareholders at the respective meeting with requisite majority. In the above Annual General Meetings necessary quorum was present. There was no request by members for voting by poll and all the businesses were unanimously approved by Members.

Extraordinary general meeting:

No Extra Ordinary General Meeting of Members or Meetings of Creditors was held during the year and there was no instance of Court convened meeting.

Postal Ballot:

During the financial year 2020-21, no resolution was passed by the Company through postal ballot.

8. MEANS OF COMMUNICATION

The Company, from time to time and as and when required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the Stock Exchange, press releases, the Annual Reports and uploading relevant information on its website etc.

The quarterly and annual financial results of the Company are uploaded on BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and Company Website.

The financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved. The results are generally published in English and one Marathi daily newspaper, i.e The Free Press Journal & Navshakti respectively.

The Annual Report of the Company, the quarterly and the annual financial statements other information required to be disseminated on Company's website are regularly posted on the Company's website i.e. www.spentasocks.com and can be downloaded.

The Company has not made any official news releases nor it has made any presentations to Institutional Investors or to the analysts hence the same is not disclosed to BSE or on the website of the Company.

The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI (LODR) Regulations, 2015 including material information having a bearing on the performance / operations of the listed entity or other price sensitive information. All information are filed electronically on BSE's online Portal i.e. 'BSE Corporate Compliance & Listing Centre (Listing Centre)' and all disclosures made to the stock exchange are also made available on Company website.

9. GENERAL SHAREHOLDER INFORMATION:
a) General Details

| | | | |
|-------|-----------------------------|---|---|
| i. | AGM (Date, Time and Venue) | : | The 34 th Annual General meeting (AGM) of the Company will be held on Monday 27 th September, 2021 at 11:30 am through video conferencing/ other audio visual means. |
| ii. | Financial Year | : | April 1, 2020 to March 31, 2021 |
| iii. | Dividend Recommended | : | NIL |
| iv. | Dividend Payment Date | : | NIL |
| v. | Date of Annual Book Closure | : | 21 st September, 2021 to 27 th September, 2021 (Both days inclusive) |
| vi. | CIN | : | L28129MH1986PLC040482 |
| vii. | Website | : | www.spentasocks.com |
| viii. | E-mail Id | : | cs@spentasocks.com |
| ix. | Corporate Office | : | B/1303, Naman Midtown, Senapati Bapat Marg, Next to India Bulls Financial Centre, Elphistone Road (W), Mumbai – 400013. Tel: 022-24300050/10 |
| x. | Registered Office | : | Plot No. 13 to 16, 40 (PART) & 40/2, Dewan Industrial Estate, Village Navali, Palghar (West), Maharashtra – 401404 |
| xi. | Listing Details | : | BSE Limited, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001. The Company has paid Annual Listing Fees up to 31 st March 2021 to the Bombay Stock Exchanges (BSE Limited). |
| xii. | Scrip Code | : | 526161 |
| xiii. | Trading Group | : | "XT" Group |
| xiv. | ISIN | : | INE175C01018 |

b) Compliance Officer

B/1303, Naman Midtown,
Senapati Bapat Marg,
Next to India Bulls Financial Centre,
Elphistone Road (W), Mumbai – 400013.
Tel: 022-24300050/10
Email:- cs@spentasocks.com

c) Description of Voting Rights

All shares issued by the Company carry equal voting rights.

d) Calendar of Financial Year 2021-2022

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year 2021-22 will be tentatively held on the following dates:

| | |
|---|---|
| Financial reporting for the quarter ending June 30, 2021 : | On or before August 14, 2021 |
| Financial reporting for the quarter ending September 30, 2021: | On or before November 14, 2021 |
| Financial reporting for the quarter ending December 31, 2021: | On or before February 14, 2022 |
| Financial reporting for the quarter and year ending March 31, 2022 : | On or before May 30, 2022 |
| AGM for the year ending 31 March 2022 : | On or before 29 th September, 2022 |

e) Market Price Data

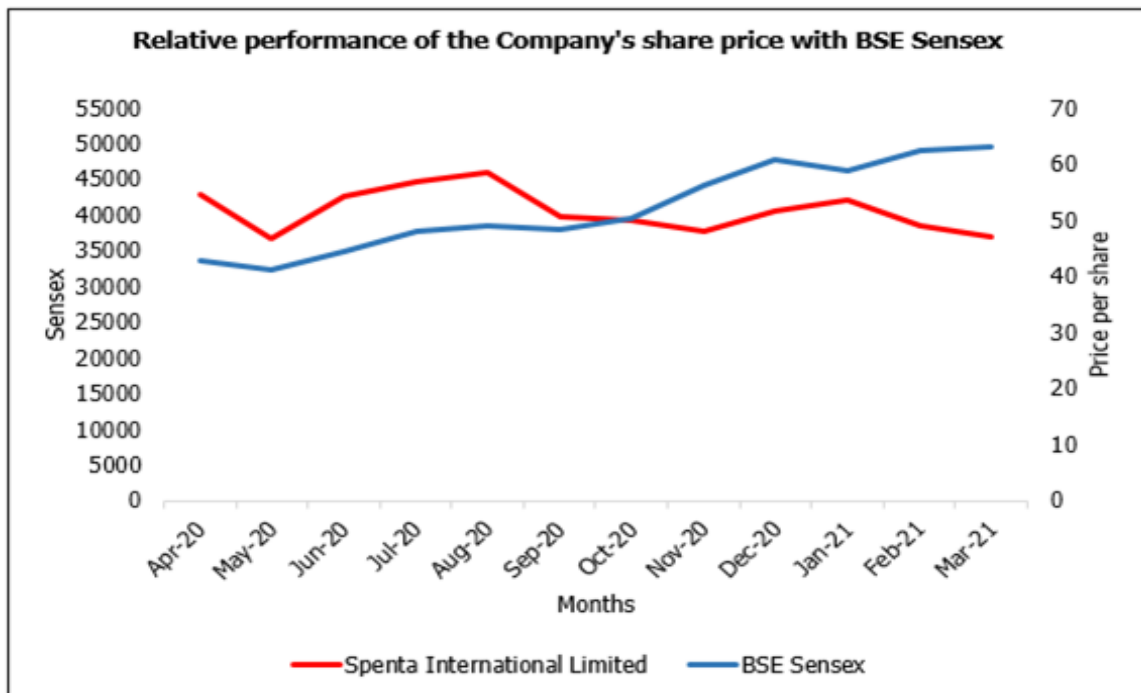
Market Price and Volume of the Company's Shares of face value of Rs 10 each traded in the Stock Exchanges where Company's shares are listed during the financial year 2020-21:

| Month | BSE | | |
|--------|---------------------|-------|--------------------------------------|
| | Share Price (in Rs) | | Total number of Equity Shares Traded |
| | High | Low | |
| Apr-20 | 54.50 | 39.65 | 6251 |
| May-20 | 65.90 | 46.75 | 5364 |
| Jun-20 | 61.00 | 43.75 | 7990 |
| Jul-20 | 60.00 | 44.90 | 4774 |
| Aug-20 | 63.45 | 50.05 | 8605 |
| Sep-20 | 60.25 | 50.75 | 6385 |
| Oct-20 | 56.00 | 48.30 | 1881 |
| Nov-20 | 60.20 | 47.50 | 2494 |
| Dec-20 | 63.00 | 45.55 | 4000 |
| Jan-21 | 60.20 | 48.80 | 7090 |
| Feb-21 | 56.30 | 46.00 | 9769 |
| Mar-21 | 51.45 | 41.65 | 23079 |

f) Performance in comparison to broad based indices such as BSE SENSEX Index:

Share price of Spenta International Limited vis-à-vis BSE SENSEX Index for the year 2020-2021:

| Month | Spenta International Limited Share Price (Rs.) | BSE SENSEX |
|--------|--|------------|
| Apr-20 | 54.50 | 33717.62 |
| May-20 | 46.75 | 32424.10 |
| Jun-20 | 54.15 | 34915.80 |
| Jul-20 | 57.00 | 37606.89 |
| Aug-20 | 58.45 | 38628.29 |
| Sep-20 | 50.75 | 38067.93 |
| Oct-20 | 50.00 | 39614.07 |
| Nov-20 | 47.90 | 44149.72 |
| Dec-20 | 51.65 | 47751.33 |
| Jan-21 | 53.65 | 46258.77 |
| Feb-21 | 49.15 | 49099.99 |
| Mar-21 | 46.90 | 49509.15 |



Source – Websites: BSE Ltd. (www.bseindia.com)

g) In case the securities are suspended from trading, the director's report shall explain the reason thereof: N.A.

h) Registrar & Transfer Agents: -

M/s. Link Intime India Pvt. Ltd.

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email – rnt.helpdesk@linkintime.co.in

They are also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

i) Share Transfer System:

Share transfers are processed and duly endorsed share certificates are dispatched within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. A summary of transactions so approved by the committee is placed at the Board Meeting held quarterly. The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulation and the same is filed with the Stock Exchanges and available in the website of the Company. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f 31st March, 2021, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a depository.

j) Distribution of Shareholding as on March 31, 2021:

| Share holding | Shareholders | | Shares | |
|----------------|----------------------|---------------------|-------------------|---------------|
| | No. of Equity Shares | No. of Shareholders | % of Shareholders | No. of Shares |
| 1 to 500 | 2652 | 92.9874 | 337728 | 12.2174 |
| 501 to 1000 | 90 | 3.1557 | 74910 | 2.7099 |
| 1001 to 2000 | 41 | 1.4376 | 61650 | 2.2302 |
| 2001 to 3000 | 21 | 0.7363 | 53691 | 1.9423 |
| 3001 to 4000 | 5 | 0.1753 | 18705 | 0.6767 |
| 4001 to 5000 | 12 | 0.4208 | 53889 | 1.9494 |
| 5001 to 10000 | 12 | 0.4208 | 91758 | 3.3194 |
| 10001 to above | 19 | 0.6662 | 2071995 | 74.9548 |
| Total | 2852 | 100 | 2764326 | 100 |

k) Distribution of Shareholding on the basis of Ownership as on March 31, 2021:

| Category | No. of Shares | % of Shareholding |
|--------------------------------|----------------|-------------------|
| Corporate Bodies (Promoter Co) | 1600 | 0.0579 |
| Clearing Members | 126 | 0.0046 |
| Other Bodies Corporate | 9967 | 0.3606 |
| Directors | 175560 | 6.3509 |
| Hindu Undivided Family | 25604 | 0.9262 |
| Non Resident Indians | 30962 | 1.1201 |
| Non Resident (Non Repatriable) | 2328 | 0.0842 |
| Public | 2235079 | 80.8544 |
| Promoters | 149500 | 5.4082 |
| Relatives Of Director | 133600 | 4.8330 |
| Total | 2764326 | 100 |

Note: As per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, the number of shareholders mentioned here are consolidated on a PAN basis.

l) Bifurcation of Shares held in physical and demat form as on 31st March, 2021

The Company has availed connectivity for both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) with ISIN - INE175C01018.

As on 31st March 2021, 2445706 Equity shares of the Company, representing 88.47% of its issued capital, were held in dematerialized form and the balance 11.53 % representing 318620 equity shares were held in physical form. All shares of the company are liquid and traded in normal volume on BSE.

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|------------------------------|----------------------|--------------------|----------------------|--------------------|
| | No. of Shares | % of Total Capital | No. of Shares | % of Total Capital |
| Held in Demat form with NSDL | 22,12,599 | 80.04 | 22,19,163 | 80.28 |
| Held in Demat form with CDSL | 2,33,107 | 8.43 | 2,25,243 | 8.15 |
| Holdings in Physical Mode | 3,18,620 | 11.53 | 3,19,920 | 11.57 |
| Total | 27,64,326 | 100.00 | 27,64,326 | 100.00 |

m) Outstanding GDRs/ADRs/Warrants or any convertible instruments:

As on date, the Company has not issued any GDR/ADR/Warrants or any other convertible instruments.

n) Disclosure of commodity price risks and commodity hedging activities:

The Company has price review mechanism to protect against material movement in price of raw materials.

o) Plant Locations

The Company's plant is located as under.
Plot No. 13 to 16, Dewan Industrial Estate, Village Navali, Palghar (West), Maharashtra – 401404.

p) Address for Correspondence

Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or the Registered office of the Company situated at following address:

Spenta international Limited, Plot # 13-16, Dewan Industrial estate Village Navali, Palghar (West) 401404.

And/ or

Compliance Officer

B/1303, Naman Midtown,
Senapati Bapat Marg,
Next to India Bulls Financial Centre,
Elphistone Road (W), Mumbai – 400013.
Tel: 022-24300050/10
Email:- cs@spentasocks.com

To allow us to serve shareholders with greater speed and efficiency, the Company strongly recommends email-based correspondence on all issues, which do not require signature verification for being processed.

SEBI vide its circular dated 26th March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System(SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance.

q) List of Credit Ratings obtained

The Company has obtained SME Grading from CRISIL Limited as under:

| Name of Rating Agency | Grading | Creditworthiness | Validity |
|-----------------------|--------------|--|--|
| CRISIL Limited | CRISIL SME 3 | Indicates 'Good' Creditworthiness in relation to other Small and Medium Enterprises. | June 13, 2021 to June 12, 2022 |
| CRISIL Limited | CRISIL MSE 2 | Indicates 'High' Creditworthiness in relation to other Small and Medium Enterprises | February 21, 2020 to February 19, 2021 |

10. OTHER DISCLOSURES:
a) Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A certificate from the Company Secretary in Practice of the Company on Corporate Governance is attached to the report.

b) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:

As otherwise disclosed in Audited Financial Statement, there are no materially significant transactions with the related parties viz. Promoters, Directors or the Management or their relatives or that had potential conflict with the Company's interest and which require shareholders' approval. Suitable disclosure as required by the Accounting Standard (AS 18) and AOC-2 have been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is available on the Company's website www.spentasocks.com

c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets:

The Company has complied in general with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to Capital Markets during the year except as provided hereunder:

- i. In terms of Reg 6(1) of SEBI (LODR), 2015, for the Period from 1st April, 2020 to 1st July, 2020, the Compliance Officer of the Company was not a qualified Company Secretary in Whole Time Employment. The Company received mail from BSE vide., SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 1,08,560 (including GST @18%) for late / non-compliance of Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 24, 2021;
- ii. The Composition of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1)(b) of SEBI (LODR) Regulations, 2015. The Company received mail from BSE vide., SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 2,14,760 (including GST @18%) for late / non-compliance of Regulation (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 23, 2021;
- iii. Mrs. Anita Prashant Koti, Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee was not present for the 33rd Annual General Meeting of the Company in pursuance of Regulation 18(1)(d), 19(3) and 20(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

d) Vigil Mechanism:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 27(2) of Security and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015., the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Company also affirms that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.spentasocks.com

During FY 2020-21, there were no complaints received under the Whistle Blower mechanism. Your Company further affirms that no person has been denied access to the Audit Committee.

e) Compliance of Mandatory and Non- Mandatory Requirements

The Company has complied with all mandatory requirements laid down under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of adoption of non-mandatory requirements are given below;

| Sr. no. | Particulars | Remarks |
|---------|-------------------------------|--|
| 1 | Shareholders' Rights | Quarterly & half-yearly status of financial performance in the form of Financial Results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors Section. A complete Annual Report is sent to every shareholder of the Company. |
| 2 | Audit qualifications | There are no audit qualifications in the annual financial statement for the period 2020-21. Standard practices and procedures are in place to ensure unqualified financial statements. |
| 3 | Reporting of Internal Auditor | The Internal Auditor reports to the Audit Committee. |

f) Proceeds from Public Issues, Rights Issue, Preferential Issue, Bonus Issue etc.

During the year, the Company has not raised any money through Public Issue, Rights Issue, Preferential Issue, Bonus Issue etc.

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

g) Certificate from Company Secretary in practice

The Company has received a certificate from Mr. Hemant Shetye, Practising Company Secretaries, Mumbai that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

During the financial year 2020-2021, the Board has accepted all the recommendations of its Committees.

h) Total fees for all services paid by the listed entity, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part Rs. 2,00,000/-
i) Details of workplace sexual harassment complaints reported as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The same is disclosed on the Company's website at www.spentasocks.com

| Sr. No. | Particulars | No. Of. Complaints |
|---------|--|--------------------|
| 1. | Number of complaints filed during the financial year 2020-21 | Nil |
| 2. | Number of complaints disposed of during the financial year 2020-21 | Nil |
| 3. | Number of complaints pending as on end of the financial year 2020-21 | Nil |

j) Non- compliance of any requirement of Corporate Governance Report, with reasons thereof:

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations except regulations 6(1), 18(1)(d), 19(1)(b) and 19(3).

1. During the period 1st April, 2020 to 1st July, 2020 there was no Company Secretary pursuant to Section 203 of the Companies Act, 2013 Read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore in terms of Reg 6(1) of SEBI (LODR), 2015, for the Period from 1st April, 2020 to 1st July, 2020, the Compliance Officer of the Company was not a qualified Company Secretary in Whole Time Employment. The Company received mail from BSE vide., SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 1,08,560 (including GST @18%) for late / non-compliance of Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 24, 2021;
2. Since all the Members of Nomination and Remuneration Committee were not Non-Executive directors the Composition of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1)(b) of SEBI (LODR) Regulations, 2015. The Company received mail from BSE vide., SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directing the Company to pay a penalty of Rs. 2,14,760 (including GST @18%) for late / non-compliance of Regulation (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made representation for waiver of fine before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)". Subsequent to which the committee approved the Company's request and waived off the fine vide its mail dated June 23, 2021;
3. Since Mrs. Anita Prashant Koti, Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee was down with COVID she was not present for the 33rd Annual General Meeting of the Company in pursuance of Regulation 18(1)(d), 19(3) and 20(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

k) Code of Conduct

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in detail, the standards of business conduct, ethics and governance.

It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards. The Board and the senior management of the Company annually affirm compliance with the Code.

A certificate from Mr. Sanjay Gadodia, Chief executive Officer to this effect is annexed to this report. The Code of Conduct has also been posted on the Company's Website at www.spentastocks.com

l) CEO/CFO Certification:

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report.

m) Company Secretary in Practice's Certificate on Corporate Governance

As stipulated in Para E of Schedule V of the Listing Regulations, the Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance is attached herewith.

n) Details of Demat/ Unclaimed Suspense Account

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL

Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL

Number of shareholders to whom shares were transferred from suspense account during the year; aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL

That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

o) E-Voting Facility to Members

In view of the massive outbreak of Covid-19 pandemic, social distancing is the norm to be followed and pursuant to the Ministry of Corporate Affairs ("MCA") vide its Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("the Meeting") 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"), MCA Circulars and SEBI Circulars, the Meeting of the Company is being held through VC / OAVM.

Pursuant to Section 113 of the Act representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.

11. OTHER INFORMATION

As at March 31, 2021 none of the Promoter has pledged their shareholdings, the Company does not have any outstanding GDRs/ ADRs/Warrants/ESOP or any convertible instruments and the Company does not have any balance with respect to Demat Suspense Account.

Certificate pursuant to clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015:

The Company has obtained half yearly Certificates pursuant to Clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr. Hemant Shetye, Partner of M/s HS Associates, Practicing Company Secretaries, Mumbai and the same were placed before the Committee for review. The certificates obtained during the year 2020-21 did not contain any reservation or qualification.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2020-21 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

Secretarial Audit

The Company has obtained quarterly Reports from Mr. Hemant Shetye, Partner of HS Associates, Practicing Company Secretaries, Mumbai for Reconciliation of Share Capital Audit Reports as per Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, who carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed Equity Share Capital. The audit report confirms that the total issued/Paid up Capital is in agreement with the total number of shares in physical form and the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The same were periodically placed before the Stakeholders' Relationship Committee for review.

In addition to the above and pursuant to Section 204 of the Companies Act, 2013 and corresponding Rule 9 of The Companies (Appointment and Remuneration Personnel) Rules, 2014, a secretarial audit for FY 2020-21 was carried out by him. The secretarial audit report forms a part of this annual report.

Management Discussion and Analysis

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

Prevention of Insider Trading

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company which has also been published on the website of the Company – www.spentasocks.com. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

Management Disclosures

Senior management of the Company (Senior Director level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company. Transactions with Key Managerial Personnel are listed in the financial section of this annual report under Related Party Transactions.

Internal Control Systems

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions, whenever necessary.

Internal Controls

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

Statutory Audit

For FY 2020-21, M/s. A K Kocchar & Associates., Chartered Accountants, audited the financial statements prepared under the Indian Accounting Standards.

The independent statutory auditor's render an opinion regarding the fair presentation in the financial statements of the Company's financial condition and operating results. Their audits are made in accordance with generally accepted auditing standards and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion.

No transaction of a material nature has been entered into by the Company with the related parties that may have a potential conflict with the interests of the Company at large. The Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties are disclosed in the Financial Statements. All transactions entered into with related parties as defined under the Companies Act, Listing Agreement and Listing Regulations during the financial year were in the ordinary course of business and at Arm's length. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at www.spentasocks.com.

**By order of the Board
For Spenta International Limited**

**Sd/-
Sanjay Gadodia
Chairman
DIN: 00203433**

**Date – August 13, 2021
Place- Palghar**

**CEO & CFO CERTIFICATE TO THE BOARD
(Pursuant to Regulation 17(8) of the Listing Regulations)**

To,

The Board of Directors,

Spenta International Limited.,
Plot No. 13 to 16,
Dewan Industrial Estate,
Village Navali, Palghar-401404

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Spenta International ("the Company"), to the best of our knowledge and belief hereby certify as stipulated in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, that:

1. We have reviewed the financial statement and the cash flow statements for the year 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 statement that might be misleading;
 - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct adopted by the Company.
4. We accept responsibility for establishing and maintaining Internal Controls. We have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee the deficiency, if any, in the design or operation of the Internal Control Systems, of which we were aware and the steps we have taken or propose to take to rectify those deficiencies.

We further certify that:

- a. There have been no significant changes in Internal Control Systems during the year.
- b. There have been no significant changes in Accounting Policies during the year.
- c. There have been no instances of significant fraud of which we were aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control Systems.

For **Spenta International Limited**

Sd/-
Sanjay Gadodia
(CEO)

Date – August 13, 2021
Place- Palghar

For **Spenta International Limited**

Sd/-
Danny Hansotia
(CFO)

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To

The Members of Spenta International Limited

I, Sanjay Gadodia, Chief Executive Officer of the Spenta International Limited ("the Company") hereby confirm pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that:

- The Board of Directors of Spenta International Limited ("the Company") has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website i.e www.spentasocks.com
- I declare that, to the best of my information, all the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2021.

For Spenta International Limited

Date : August 13, 2021
Place: Palghar

Sd/-
Sanjay Gadodia
(Chief Executive Officer)
DIN: 00203433

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF
SPENTA INTERNATIONAL LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of **Spenta International Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (Including other Comprehensive Income) and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Opinion

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, 29 including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access and necessary records made available by the Company through digital medium.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Company Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by Section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Account) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2021.

For M/s. A K Kocchar & Associates
Chartered Accountants
FRN: 120410W

Sd/-
(Hitesh Kumar S.)
Partner
Membership No: 134763
Date: 25th June, 2021.
UDIN -21134763AAAAACN7626

Annexure to Independent Auditors' Report**(Referred to in paragraph of audit report on "Other Legal and Regulatory Requirements" of even date)**

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. According to the information and explanation given to us, the fixed assets are being physically verified by the management according to a phased program designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets.

Pursuant to this program, some of the fixed assets have been physically verified by the management during the year, and no material discrepancies were noticed on such verification.
 - c. In our opinion the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
3. In our opinion and to the best of our information and according to explanations given to us, in respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 189 of the Act:
 - a. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, The Company has not given any loan, investment, guarantees and security for loans taken by others from banks or financial institutions.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. In our opinion and as per the explanations given to us the company is not required to maintain accounts and records as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
7. In respect of statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, and Income Tax, Sales Tax, Wealth Tax, Customs duty, Works Contract tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Sales tax / Value added tax, Wealth tax, duty of Excise,

Income tax, Service tax, duty of customs and other material statutory dues were in arrears at the yearend for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of Service tax, Wealth tax, Income tax, Sales tax/ Value added tax, duty of Excise and duty of customs as at the yearend which have not been deposited with the appropriate authorities on account of any dispute.
 - c. According to the information and explanations given to us, the Company has no liabilities which are required to be transferred to the investor education and protection fund within the prescribed time.
8. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayments of dues to financial institutions, banks or debenture holders.
 9. According to the records of the company examined by us and the information and explanation given to us, the Company has applied the term loans for the purpose for which the loans were obtained
 10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
 11. According to the records of the company examined by us and the information and explanation given to us, the managerial remuneration has been paid as per the provisions of section 197 read with Schedule V to the Companies Act.
 12. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
 13. According to the records of the company examined by us and the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
 14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Clause 3(xiv) are not applicable to the company and, not commented upon.
 15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
 16. As the company is not engaged in business of non-banking financial institution, accordingly the company is not required to registered under section 45-IA of Reserve Bank of India Act, 1934.

For M/s. A K Kocchar & Associates
Chartered Accountants
FRN: 120410W

Sd/-
(Hitesh Kumar S.)
Partner
Membership No: 134763
Date: 25th June, 2021.
UDIN -21134763AAAAACN7626

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Spenta International Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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 Company's internal financial controls over financial reporting based on our audit.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statement.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2021, 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/s A K Kocchar & Associates
Chartered Accountants
FRN: 120410W

Sd/-
(Hitesh Kumar S.)
Partner
Membership No: 134763
Date: 25th June, 2021.
UDIN -21134763AAAAACN7626

Statement of Assets and Liabilities as at March 31, 2021

(Amount in Rs.)

| Standalone statement of assets & liabilities | Note No. | As at year ended 31 March 2021 | As at year ended 31 March 2020 |
|--|----------|--------------------------------|--------------------------------|
| ASSETS | | | |
| 1. Non-current assets | | | |
| (A) Property, Plant and Equipment | 2 | 17,38,85,218 | 18,36,74,698 |
| (B) Capital work-in-progress | | | - |
| (C) Investment in Property | 3 | 1,15,89,683 | 1,15,89,683 |
| (D) Goodwill | | | - |
| (E) Other Intangible assets | | | - |
| (F) Intangible assets under development | | | - |
| (G) Biological Assets other than bearer plants | | | - |
| (H) Financial Assets | | | |
| (i) Investments | | | - |
| (ii) Trade receivables | | | - |
| (iii) Loans | 4 | 31,50,000 | 31,00,000 |
| (iii) Others | | | - |
| (I) Deferred tax assets (net) | 5 | 8,09,644 | 7,10,414 |
| (J) Other non-current assets | 6 | 74,21,133 | 70,29,302 |
| | | 19,68,55,679 | 20,61,04,098 |
| 2. Current assets | | | |
| (A) Inventories | 7 | 9,77,45,971 | 8,82,93,830 |
| (B) Financial Assets | | | |
| (i) Investments | 8 | 99,90,361 | 71,76,189 |
| (ii) Trade receivables | 9 | 14,50,13,523 | 10,52,34,874 |
| (iii) Cash and cash equivalents | 10 | 24,77,493 | 34,41,720 |
| (iv) Bank balances other than(iii) above | 11 | 4,47,31,038 | 4,23,25,475 |
| (v) Loans | 12 | 21,39,926 | 20,44,741 |
| (vi) Others | 13 | 47,47,636 | 43,77,020 |
| (C) Current Tax Assets (Net) | | | - |
| (D) Other current assets | 14 | 1,50,02,805 | 1,67,39,619 |
| | | 32,18,48,754 | 26,96,33,468 |
| TOTAL ASSETS | | 51,87,04,432 | 47,57,37,565 |
| EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share Capital | 15 | 2,76,43,260 | 2,76,43,260 |
| (b) Other Equity | 16 | 21,55,61,294 | 23,39,63,404 |
| | | 24,32,04,554 | 26,16,06,664 |
| 2. Liabilities | | | |
| (I) Non-current liabilities | | | |
| (A) Financial Liabilities | | | |
| (i) Borrowings | 17 | 7,82,01,249 | 5,16,84,309 |
| (i) Trade payables | | | - |
| (i) Other financial liabilities | | | - |
| (B) Provisions | 18 | 1,18,38,573 | 1,01,51,013 |
| (C) Deferred Tax Liabilities (Net) | | | - |
| (c) Other non-current liabilities | | | - |
| | | 9,00,39,822 | 6,18,35,322 |

Statement of Assets and Liabilities as at March 31, 2021

(Amount in Rs.)

| | Note. No. | As at year ended 31 March 2021 | As at year ended 31 March 2020 |
|---|-----------|--------------------------------|--------------------------------|
| (II) Current liabilities | | | |
| (A) Financial Liabilities | | | |
| (i) Borrowings | 19 | 11,32,62,761 | 10,20,68,969 |
| (ii) Trade payables | 20 | 4,00,80,351 | 2,95,76,158 |
| (iii) Other financial liabilities | 21 | 52,95,348 | 53,77,736 |
| (B) Other current liabilities | 22 | 2,62,24,540 | 1,47,48,893 |
| (C) Provisions | 23 | 5,97,056 | 5,23,823 |
| (D) Current Tax Liabilities (Net) | | - | - |
| | | 18,54,60,056 | 15,22,95,579 |
| TOTAL EQUITY AND LIABILITIES | | 51,87,04,432 | 47,57,37,566 |
| Significant Accounting Policies | 1 | (0) | 0 |
| "The notes referred to above form an integral part of Financial Statements" | | | |

As per our attached report of even date

**For M/s. A K Kochar & Associates
Chartered Accountants**
For and behalf of the Board of Directors
Sd/-
(CA Hitesh Kumar S.)
Partner
Membership No.: 134763
Firm Registration No. 120410W

UDIN - 21134763AAAAACN7626

Place :- Mumbai

 Date : 25th June, 2021

Sd/-
Sanjay S. Gadodia

(Chairman/CEO)

DIN - 00203433

Sd/-
Danny F. Hansotia

(Managing Director/CFO)

DIN - 00203497

Place :- Palghar

 Date : 25th June, 2021

Statement of Standalone Financial Results for the year ended March 31, 2021

| Standalone Statement of Financial Results | Note No. | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|----------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| Revenue from operations | 24 | 22,22,23,457 | 36,12,10,647 |
| Other income | 25 | 63,50,220 | 42,31,193 |
| Total revenue (1+2) | | 22,85,73,677 | 36,54,41,839 |
| OPERATING EXPENDITURE | | | |
| (a) Cost of materials consumed | 26 | 11,41,57,783 | 19,19,05,653 |
| (b) Purchases of stock-in-trade | 27 | 3,66,83,100 | 6,30,05,819 |
| (c) Changes in inventories of finished goods, Work in Progress & Stock in Trade | 28 | (85,024) | (1,09,02,411) |
| (d) Employee benefits expense | 29 | 3,24,28,057 | 3,40,38,208 |
| (g) Finance charges | 30 | 1,58,02,174 | 1,69,25,895 |
| (e) Depreciation and amortization expense | | 1,09,46,320 | 1,14,40,633 |
| (f) Power & Fuel Cost | 32 | 80,88,064 | 1,31,04,568 |
| (h) Other expenses | 33 | 2,64,99,808 | 2,95,44,383 |
| Total Expenses | | 24,45,20,283 | 34,90,62,748 |
| PROFIT BEFORE TAX | | (1,59,46,606) | 1,63,79,091 |
| Tax expense: | 34 | | |
| (a) Current tax | | - | 40,00,000 |
| (b) Deferred tax | | (20,119) | 4,62,231 |
| Profit / (Loss) after tax | | (1,59,26,487) | 1,19,16,860 |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | (3,87,962) | (6,34,342) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 1,82,705 | 1,76,473 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | (2,05,257) | (4,57,869) |
| Total Comprehensive Income for the Period | | (1,61,31,744) | 1,14,58,991 |
| Earnings per share (of Rs.10/- each): | 35 | | |
| (a) Basic (incl./excl. exceptional items) | | (5.76) | 4.31 |
| (b) Diluted (incl./excl. Exceptional items) | | (5.76) | 4.31 |
| Significant Accounting Policies | 1 | | |
| The notes referred to above form an integral part of Financial Statements | | | |

As per our attached report of even date
For M/s. A K Kochar & Associates
Chartered Accountants

For and behalf of the Board of Directors

Sd/-
(CA Hitesh Kumar S.)
Partner
Membership No.: 134763
Firm Registration No. 120410W
UDIN - 21134763AAAACN7626
Place :- Mumbai
Date : 25th June, 2021

Sd/-
Sanjay S. Gadodia
(Chairman/CEO)
DIN - 00203433

Sd/-
Danny F. Hansotia
(Managing Director/CFO)
DIN - 00203497

Place :- Palghar
Date : 25th June, 2021

Cash Flow Statement
Annexed to the Balancesheet for the year ended March 31, 2021
(Amount in Rs.)

| Particulars | | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---------------|--------------------------------------|---------------|--------------------------------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net Profit/(Loss) before tax and extraordinary items | | | (1,59,46,606) | | 1,63,79,091 |
| Adjustments for : | | | | | |
| Depreciation | 1,09,46,320 | | | 1,14,40,633 | |
| Amortisation | - | | | - | |
| Non Cash and operating Items - others | (3,43,273) | | | (11,66,245) | |
| Interest income | (35,05,499) | | | (37,72,971) | |
| Finance Cost | 1,58,02,174 | | | 1,69,25,895 | |
| Dividend income | (30,549) | | | (36,333) | |
| (Profit) / Loss on Sale of Fixed Assets | - | | | (5,16,929) | |
| (Gain)/Loss on Fair value of investments | (28,14,172) | | | 3,64,351 | |
| | | | 2,00,55,001 | | 2,32,38,401 |
| Operating Profit before Working Capital Changes | | | 41,08,395 | | 3,96,17,493 |
| Adjustments for : | | | | | |
| (Increase) / decrease in inventories | (94,52,141) | | | (26,13,274) | |
| (Increase) / decrease in Trade receivable | (3,97,78,649) | | | 3,34,07,677 | |
| (Increase) / decrease in Financial assets | (4,65,801) | | | (10,91,983) | |
| (Increase) / decrease in other current assets | 17,36,814 | | | (60,37,392) | |
| Increase / (decrease) in trade payable | 1,05,04,193 | | | (90,29,645) | |
| Increase / (decrease) in financial liabilities | (82,388) | | | 2,63,031 | |
| Increase / (decrease) in provisions | 17,60,793 | | | 18,77,240 | |
| (Increase) / decrease in other current liabilities | 1,14,75,647 | (2,43,01,534) | | (73,15,342) | 94,60,312 |
| | | (2,01,93,138) | | | 4,90,77,805 |
| Cash generated from / used in operations | | | | | |
| Direct Taxes paid | | | - | | (40,00,000) |
| Net cash generated from / (used in) operating activities | (A) | | (2,01,93,138) | | 4,50,77,805 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Fixed Assets including CWIP | (11,56,840) | | | (2,01,13,933) | |
| Sale of Fixed Assets | - | | | 14,00,000 | |
| Advance for Fixed Assets | - | | | - | |
| Movement in Non-Current Investments | - | | | (2,00,600) | |
| Movement in Current Investments | - | | | 3,64,350 | |
| (Increase) / decrease in Long term loans and advances | (4,41,830) | | | 62,83,564 | |
| (Investment in)/Maturities of Fixed Deposits | (24,05,563) | | | (17,16,532) | |
| Dividend income | 30,549 | | | 36,333 | |
| Interest income | 35,05,499 | (4,68,186) | | 37,72,971 | (1,01,73,847) |
| Net cash (used) in investing activities | (B) | | (4,68,186) | | (1,01,73,847) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Interest paid | (1,58,02,174) | | | (1,69,25,895) | |
| Dividends paid | (22,11,461) | | | (49,90,617) | |
| Net increase / (decrease) in long term borrowings | 2,65,16,940 | | | (1,08,01,243) | |
| Net increase / (decrease) in Short term Borrowings | 1,11,93,793 | 1,96,97,098 | | (15,75,644) | (3,42,93,398) |
| Net cash (used in) from financing activities | (C) | | 1,96,97,098 | | (3,42,93,398) |
| Net Cash Flow for the year | | | (9,64,226) | | 6,10,560 |
| Cash and cash Equivalents as at 31.03.2020 | | | 34,41,720 | | 28,31,160 |
| Cash and cash Equivalents as at 31.03.2021 | | | 24,77,494 | | 34,41,720 |

Cash Flow Statement**Annexed to the Balancesheet for the year ended March 31, 2021**

Note:

- 1) The Cash Flow Statements has been prepared under the "Indirect Method" as set out in Ind AS - 7 on Cash Flow Statement.
- 2) Previous years figures have been regrouped / rearranged wherever necessary.

As per our attached report of even date
For M/s. A K Kochar & Associates
Chartered Accountants

For and behalf of the Board of Directors**Sd/-****(CA Hitesh Kumar S.)****Partner****Membership No.: 134763****Firm Registration No. 120410W**

UDIN - 21134763AAAAACN7626

Place :- Mumbai

Date : 25th June, 2021**Sd/-****Sanjay S. Gadodia**

(Chairman/CEO)

DIN - 00203433

Sd/-**Danny F. Hansotia**

(Managing Director/CFO)

DIN - 00203497

Place :- Palghar

Date : 25th June, 2021

Statement of change in Equity for the year ended March 31, 2021
A. Equity Share Capital

| Particulars | Balance at the beginning of the Reporting period | Changes in equity share capital during the year | Balance at the end of the Reporting period | Figures as at the beginning of the previous Reporting period (dd-mm-yy)* |
|------------------------------------|--|---|--|--|
| For the year ended 31st March 2020 | 27,643,260 | - | 27,643,260 | 27,643,260 |
| For the year ended 31st March 2021 | 27,643,260 | - | 27,643,260 | 27,643,260 |

B. Other Equity

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | Debt instruments through Other comprehensive Income | Equity instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income | Money received against share warrants |
|--|---|--|----------------------|---------------------------------|----------------------|------------------------|---|---|---------------------------------------|---------------------|---|---|---------------------------------------|
| | | | (i) Capital Reserve | (ii) Securities Premium Reserve | (iii) Other Reserves | (iv) Retained Earnings | | | | | | | |
| Balance at the beginning of the Reporting period | | | | | | 235,265,960 | | | | | | (1,302,556) | |
| Profit for the Year | | | | | | (15,926,487) | | | | | | - | |
| Other Comprehensive Income / (Loss) (Net of Tax) | | | | | | - | | | | | | (205,257) | |
| Changes in accounting policy or prior period errors | | | | | | - | | | | | | - | |
| Restated balance at the beginning of the reporting period | | | | | | - | | | | | | - | |
| Total comprehensive income for the year | | | | | | - | | | | | | (205,257) | |
| Dividends including DDT | | | | | | (2,211,461) | | | | | | - | |
| Transfer to retained earning | | | | | | - | | | | | | - | |
| Excess / Short Provision for Income Tax | | | | | | (58,905) | | | | | | - | |
| Balance at the end of the Reporting period | | | | | | 217,069,107 | | | | | | (1,507,813) | |
| Figures as at the beginning of the previous Reporting period | | | | | | 228,339,716 | | | | | | (844,687) | |

As per our attached report of even date
For M/s. A K Kochar & Associates
Chartered Accountants

Sd/-
(CA Hitesh Kumar S.)
Partner
Membership No.: 134763
Firm Registration No. 120410W
UDIN - 21134763AAAACN7626
Place :- Mumbai
Date : 25th June, 2021

For and behalf of the Board of Directors

Sd/-
Sanjay S. Gadodia
(Chairman/CEO)
DIN - 00203433

Place :- Palghar
Date : 25th June, 2021

Sd/-
Danny F. Hansotia
(Managing Director/CFO)
DIN - 00203497

Notes forming part of the Financial Statements for the year ended 31st March, 2021**Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2021****Company Overview**

Spenta International Limited (The Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing and trading of socks.

Note 1: Significant Accounting Policies**a) Basis for preparation of financial Statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

b) Basis of measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortized cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – Plan assets measured at fair value.

c) Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

d) Use of Estimates and Judgements

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

e) Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

f) Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

g) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial

asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

h) New Standards / Amendments to Existing Standard issued and effective upto the date of issuance of the Company's Financial Statement are disclosed below:

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendment to existing Ind AS. These amendments have been applicable to the Company from 1st April 2018.

➤ **Ind AS 115-Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Based on preliminary assessment performed by the Company, the impact of the application of the standard is not expected to be material.

➤ **Amendment to Existing issued Ind AS**

Ind AS 12 - Income Taxes

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

Ind AS 28 - Investment in Associates and Joint Ventures

Ind AS 112 - Disclosure of Interests in Other Entities

The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

i) Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is ascertained on First in First out basis for all inventories except for by products and scrap materials which are valued at net realizable value.

j) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investment.

k) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the statement of profit & loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

l) Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

m) Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

n) Property, plant and equipment (including Capital work-in-progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Assets acquired but not ready for use are classified under Capital work in progress and are stated at cost comprising direct cost and related incidental expenses.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

o) Depreciation and Amortization

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components
- Depreciation on Fixed Assets has been provided on Straight - Line Method (SLM) in accordance with the rates prescribed under Schedule II of the Companies Act, 2013 over the life of the assets.

p) Revenue recognition

Revenue is recognized based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

q) Sale of Product

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

r) Revenue from rendering of services

Revenue from rendering of services is recognized on pro-rata basis over the period of contract and when the performance of agreed contractual task has been completed.

s) Other Income

- **Interest Income:** For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.
- **Dividend Income:** Dividend income is accounted in the period in which the right to receive the same is established.
- **Other Income:** Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

t) Employee Benefits

- **Short Term Benefits:** Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.
- **Other Long Term Employee Benefits:** The liabilities for earned/privilege leave that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.
- **Post-Employment Benefits:** The Company operates the following post-employment schemes

Defined Contribution Plan: Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

Defined Benefit Plans: The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurements recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

u) Foreign Currency Transactions:

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

v) Borrowing Costs:

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.

- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

w) Financial Instruments:

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

➤ **Financial Assets :**

1. Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

2. Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company

- Measured at FVTP : FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

3. Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity

4. Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

➤ **Financial Liabilities:**

1. Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

x) Earnings Per Share:

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

y) Impairment of Non-Financial Assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

z) Provisions, Contingent Liabilities and Contingent Assets

➤ **Provisions**

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

➤ **Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

➤ **Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

aa) Intangible Assets:

➤ **Recognition and Measurement**

Intangible asset are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

➤ **Amortization**

1. Software's are amortized over a period of three years.
2. The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

bb) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment "Knitted Socks" based on the information reviewed by the CODM.

cc) Significant Judgments and Key Sources of Estimation in Applying Accounting Policies

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Note 2: Property, Plant and Equipment

(Amount in Rs.)

| Sr. No. | Particulars Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|---------|--|---------------------|--------------------|------------------|---------------------|---------------------|------------------------|--------------------|---------------------|---------------------|
| | | As at 01/04/2020 | Addition | Deductions | As at 31/03/2021 | As at 01/04/2020 | Sales / Adjustments | For the year | As at 31/03/2021 | As at 31/03/2020 |
| | Tangible Assets (A) | | | | | | | | | |
| 1. | Freehold Land | 62,36,894 | - | - | 62,36,894 | - | - | - | 62,36,894 | 62,36,894 |
| 2. | Buildings & Civil Works | 1,30,76,760 | - | - | 1,30,76,760 | 28,50,983 | - | 7,12,745 | 35,63,729 | 1,02,25,777 |
| 3. | Old Factory Shed | 4,30,636 | - | - | 4,30,636 | 84,310 | - | 21,077 | 1,05,387 | 3,25,249 |
| 4. | New Factory Shed | 7,30,639 | - | - | 7,30,639 | 1,18,940 | - | 29,735 | 1,48,674 | 5,81,965 |
| 5. | Office Premises | 2,46,94,211 | - | - | 2,46,94,211 | 32,35,716 | - | 8,08,929 | 40,44,645 | 2,06,49,566 |
| 6. | Plant & Machinery | 6,05,67,555 | - | - | 6,05,67,555 | 2,50,94,996 | - | 57,88,077 | 3,08,83,073 | 2,96,84,482 |
| 7. | Office Equipments | 4,59,277 | 20,254 | - | 4,79,531 | 3,38,163 | - | 67,802 | 4,05,965 | 73,567 |
| 8. | Computer | 2,59,308 | 36,441 | - | 2,95,749 | 2,45,061 | - | 4,774 | 2,49,835 | 45,914 |
| 9. | Furniture and Fixtures | 56,76,238 | 6,85,124 | - | 63,61,362 | 23,98,975 | - | 5,93,718 | 29,92,693 | 33,68,669 |
| 10. | Misc. Fixed Assets | 70,64,460 | 2,46,090 | - | 73,10,550 | 24,52,548 | - | 8,29,844 | 32,82,392 | 40,28,158 |
| 11. | Vehicles | 11,53,635 | 1,68,931 | - | 13,22,566 | (4,75,869) | - | 3,98,559 | (77,310) | 13,99,876 |
| 12. | Company Guest House - Flat at Palghar | 5,67,870 | - | - | 5,67,870 | 1,11,976 | - | 27,994 | 1,39,969 | 4,27,901 |
| 13. | Company Guest House - Flat at Lodha Evoq | 8,35,94,885 | - | - | 8,35,94,885 | 36,96,912 | - | 13,52,111 | 50,49,023 | 7,85,45,862 |
| 14. | Company Guest House - Flat at Lodha Belmondo | 1,93,72,184 | - | - | 1,93,72,184 | 57,144 | - | 3,10,956 | 3,68,100 | 1,90,04,084 |
| | Total | 22,38,84,552 | 11,56,840 | - | 22,50,41,393 | 4,02,09,854 | - | 1,09,46,321 | 5,11,56,175 | 17,38,85,218 |
| | Previous year | 20,80,24,445 | 2,01,13,933 | 42,53,826 | 22,38,84,552 | 3,23,05,833 | 35,36,612 | 1,14,40,633 | 4,02,09,854 | 18,36,74,698 |
| | Capital Work-In-Progress (B) | - | - | - | - | - | - | - | - | - |
| | Previous year | - | - | - | - | - | - | - | - | - |

Note 3: Investment in Property

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Flats at Palghar* | 1,15,87,983 | 1,15,87,983 |
| Naman Midtown – Share Application Money | 1,100 | 1,100 |
| Lodha Belmondo - Share Application Money | 600 | 600 |
| TOTAL | 1,15,89,683 | 1,15,89,683 |

*Company has not yet received possession of properties and it is still work-in-progress. Hence, there is no depreciation provided on Investment property.

Fair value

| | |
|---------------------|-------------|
| As at 31 March 2017 | 1,05,85,253 |
| As at 31 March 2018 | 1,07,44,032 |
| As at 31 March 2019 | 1,08,22,000 |
| As at 31 March 2020 | 1,12,30,000 |
| As at 31 March 2021 | 1,14,33,500 |

Valuation process

The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, Company considers current price in an active market for properties of different nature or recent prices of similar properties in less active market, adjusted to reflect those differences. We have considered rates available from property market websites to arrive at fair value. They are classified as level 1 fair values in the fair value hierarchy.

Note 4: Long term Loans and Advances

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Unsecured, considered good unless otherwise stated | | |
| Advance to Job Workers | 31,50,000 | 31,00,000 |
| TOTAL | 31,50,000 | 31,00,000 |

Note 5: Deferred Tax Assets (Net)

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Deferred Tax Asset - Opening | (7,10,414) | (9,96,172) |
| Deferred Tax Asset for the year | (99,230) | 2,85,758 |
| Total | (8,09,644) | (7,10,414) |
| Deferred Tax Liability / (Assets)(Net) | (8,09,644) | (7,10,414) |
| TOTAL | (8,09,644) | (7,10,414) |

Note 6: Other Non-Current Asset

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Deferred Expenses not written off | | |
| Advance Tax - AY 2003-04 to AY 2020-21 Net of Provision for Tax | 52,65,445 | 47,75,600 |
| Capital Advance - Purchase of Fixed Assets | 21,50,000 | 22,50,000 |
| Others | 5,688 | 3,702 |
| TOTAL | 74,21,133 | 70,29,302 |

Current Assets
Note 7: Inventories

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Stock in Hand | | |
| Raw Materials | 2,95,45,114 | 2,24,36,750 |
| Raw Materials - Job Work | 1,91,43,943 | 1,77,76,026 |
| Raw Materials - Goods in Transit | 4,12,156 | 5,75,804 |
| Finished Goods | 4,18,42,834 | 4,21,57,810 |
| Packing Materials | 56,01,924 | 45,47,440 |
| Stores & Spares (Including Consumables) | 12,00,000 | 8,00,000 |
| TOTAL | 9,77,45,971 | 8,82,93,830 |

Financial Assets
Note 8: Current Investments

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| <u>Investment in Equity shares of Domestic Companies</u> | | |
| (a) Traded, Quoted | | |
| (i) ACC Ltd 300 (Previous Year 300) Equity Shares of face value of Rs.10 each fully paid up | 5,70,975 | 2,90,550 |
| (ii) Century Textile Ltd 100 (Previous Year 100) Equity Shares of face value of Rs.10 each fully paid up | 46,505 | 29,580 |
| (iii) Ultra Tech Cement Ltd 12 (Previous Year Nil) Equity Shares of face value of Rs.10 each fully paid up | 80,855 | 38,939 |
| (iv) Tata Consumer Products Ltd (formerly Tata Global Beverages Ltd) 4434 (Previous Year 4434) Equity Shares of face value of Rs.1 each fully paid up | 28,32,883 | 13,07,365 |
| (v) Engineers India Ltd 2000 (Previous Year 2000) Equity Shares of face value of Rs. 5 each fully paid up | 1,54,000 | 1,20,100 |
| (vi) Tata Motors Ltd 1500 (Previous Year 1500) Equity Shares of face value of Rs.2 each fully paid up | 4,52,700 | 1,06,575 |
| vii) Tata Steel Ltd 1050 (Previous Year 1050) Equity Shares of face value of Rs. 10 each fully paid up | 8,52,443 | 2,83,080 |
| | 49,90,361 | 21,76,189 |
| (b) Inter Corporate Deposit | 50,00,000 | 50,00,000 |
| | 50,00,000 | 50,00,000 |
| | | |
| | 99,90,361 | 71,76,189 |

Note 9: Trade Receivables

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| (Unsecured and Considered Good) | | |
| Over 6 months & above | 3,84,62,232 | 1,09,79,852 |
| Others | 10,65,51,291 | 9,42,55,022 |
| TOTAL | 14,50,13,523 | 10,52,34,874 |

Note 10: Cash and Cash Equivalents

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------|-------------------------|-------------------------|
| Cash on hand | 23,99,601 | 25,43,355 |
| Balances with banks | | |
| i) In current accounts | 77,890 | 8,98,363 |
| TOTAL | 24,77,491 | 34,41,718 |

Note 11: Bank Balance other than above

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| ii) In Fixed Deposit Account | | |
| - Maturity with more than 12 months | - | - |
| - Maturity within 12 months | 4,47,31,038 | 4,23,25,475 |
| TOTAL | 4,47,31,038 | 4,23,25,475 |

Note 12: Short Term Loans and Advances

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Advances to Employees | | |
| - Unsecured Considered good | 10,66,185 | 9,71,000 |
| Loans And Advances To Corporate And Others (Capital Goods) | 10,73,741 | 10,73,741 |
| TOTAL | 21,39,926 | 20,44,741 |

Note 13: Other Financial Assets

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------|-------------------------|-------------------------|
| Deposits | 20,35,512 | 19,87,143 |
| Interest Receivable | 27,12,124 | 23,89,877 |
| Other Receivable | - | - |
| TOTAL | 47,47,636 | 43,77,020 |

Note 14: Other Current Assets

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Advance To Suppliers | 21,63,656 | 65,88,055 |
| Other Receivables | 10,91,442 | 1,11,884 |
| Statutory & Other Receivables (TDS / GST / MVAT) | 1,05,27,753 | 81,10,820 |
| Prepayments | 12,19,954 | 19,28,860 |
| TOTAL | 1,50,02,805 | 1,67,39,619 |

Equity
Note 15: Equity Share Capital

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|-------------------------|--------------------|-------------------------|--------------------|
| | Number of Shares | (Amt. in Rs.) | Number of Shares | (Amt. in Rs.) |
| Authorised Capital Equity shares of Rs.10 each with voting rights | 35,00,000 | 3,50,00,000 | 35,00,000 | 3,50,00,000 |
| Issued Share Capital Equity shares of Rs.10 each | 27,64,326 | 2,76,43,260 | 27,64,326 | 2,76,43,260 |
| Subscribed and fully paid - up Equity shares of Rs.10 each | 27,64,326 | 2,76,43,260 | 27,64,326 | 2,76,43,260 |
| Total | 27,64,326 | 2,76,43,260 | 27,64,326 | 2,76,43,260 |

a) Reconciliation of equity shares and amounts outstanding

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Number of Shares | (Amt. in Rs.) | Number of Shares | (Amt. in Rs.) |
| At the beginning of the year | 27,64,326 | 2,76,43,260 | 27,64,326 | 2,76,43,260 |
| Add : Allotment money received | - | - | - | - |
| Less : Shares cancelled on buy back of Equity Shares | - | - | - | - |
| At the end of the year | 27,64,326 | 2,76,43,260 | 27,64,326 | 2,76,43,260 |

2) Terms /rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10. The equity shares have rights, preferences and restrictions which are in accordance provisions of law, in particular the Companies Act, 2013.

c) Details of shareholders holding more than 5 % shares in the Company

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--------------------|-------------------------|--------------|-------------------------|--------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| 1. Danny Hansotia | 6,90,277 | 24.97% | 6,90,277 | 24.97% |
| 2. Sanjay Gadodia | 6,43,133 | 23.27% | 6,43,133 | 23.27% |
| 3. Sandeep Gadodia | 1,64,307 | 5.94% | 1,64,307 | 5.94% |

Note 16: Other Equity
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------|-------------------------|-------------------------|
| | a) Retained earnings | 21,70,69,107 |
| b) Other comprehensive income | (15,07,813) | (13,02,556) |
| TOTAL | 21,55,61,294 | 23,39,63,404 |

a) Retained Earnings
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|--------------------------------------|-------------------------|
| | Balance at the beginning of the year | 23,52,65,960 |
| Add: Profit for the year | (1,59,26,487) | 1,19,16,860 |
| Less: Excess / Short Provision for Income Tax | (58,905) | - |
| Less: Dividend including Dividend Distribution Tax | (22,11,461) | (49,90,617) |
| Balance at the end of the year | 21,70,69,107 | 23,52,65,960 |

b) Other Comprehensive Income
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | (13,02,556) | (8,44,687) |
| Add: Remeasurement of Defined Benefit Obligation (Net of tax) | (2,05,257) | (4,57,869) |
| Balance at the end of the year | (15,07,813) | (13,02,556) |

Liabilities - Non Current Liabilities
Financial Liabilities
Note 17: Borrowings
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| a) Secured loan From Banks | | |
| Term Loan 1 from DCB Bank | - | 47,02,790 |
| Term Loan 2 from DCB Bank | 4,73,21,266 | 4,69,81,519 |
| WCTL from DCB Bank under ECLGS | 2,35,82,826 | - |
| WCTL from ICICI Bank under ECLGS | 72,97,157 | - |
| TOTAL | 7,82,01,249 | 5,16,84,309 |

Term Loan 1 from DCB Bank Ltd:

Details of Security: Term loan 1 is taken from DCB Bank for purchase of machinery and secured by:

- Hypothecation of Machinery and Other Assets purchased under this term loan;
- Equitable mortgage on the factory Land and Building on Plot nos. 13 to 16 standing in the name of the Company at Dewan, Palghar - Plot Area : 5398.24 sq mt and
- Hypothecation of entire Plant & Machinery, Furniture & Fixtures including spares, tools, accessories etc.

Terms of Repayment: Loan to be repaid On Demand/In 48 equated monthly instalment beginning from 31.10.2016 and ending till 30.09.2020. As per balance sheet date the said loan is fully repaid

Term Loan 2 from DCB Bank Ltd:

Details of Security: Term loan 4 is taken from DCB Bank for takeover of Term Loan from Reliance Home Finance Ltd and secured by:

- Equitable Mortgage Of Property At Flat No 802, 8th Floor, A Wing, Lodha Evoq, New Cuffe Parade, Wadala East, Mumbai;
- Equitable mortgage on the factory Land and Building on Plot nos. 13 to 16 standing in the name of the Company at Dewan, Palghar - Plot Area : 5398.24 sq mt and
- Hypothecation of entire Plant & Machinery, Furniture & Fixtures including spares, tools, accessories etc.

Terms of Repayment: Loan to be repaid On Demand/ In 166 equated monthly instalment beginning from 10.02.2019 and ending till 10.12.2032

Working Capital Term Loan from DCB Bank under ECLGS:

DCB Bank, in terms of Government of India's Emergency Credit Line Guarantee Scheme (ECLGS) has sanctioned a Guaranteed Emergency Credit Line (GECL) by way of Working Capital Term Loan

Details of Security: WCTL under ECLGS is taken from DCB Bank for Working Capital purposes and secured by Extension of charge over existing primary and collateral securities, including mortgage created in favour of the bank, on second charge basis.

Terms of Repayment: Loan to be repaid in 36 equated monthly instalment after moratorium of 12 months beginning from 31.10.2021 and ending till 30.09.2024

Working Capital Term Loan from ICICI Bank under ECLGS:

ICICI Bank, in terms of Government of India's Emergency Credit Line Guarantee Scheme (ECLGS) has sanctioned a Guaranteed Emergency Credit Line (GECL) by way of Working Capital Term Loan

Details of Security: WCTL under ECLGS is taken from ICICI Bank for Working Capital purposes and secured by Extension of charge over existing primary and collateral securities, including mortgage created in favour of the bank, on second charge basis and personal guarantee of promoter directors of the Company, Mr. Sanjay Gadodia and Mr. Danny Hansotia

Terms of Repayment: Loan to be repaid in 36 equated monthly instalment after moratorium of 12 months beginning from 31.07.2021 and ending till 30.06.2024

Note 18: Long Term Provisions
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Provision for employee benefits - Provision for Gratuity | 1,18,38,573 | 1,01,51,013 |
| TOTAL | 1,18,38,573 | 1,01,51,013 |

Provision for Gratuity is made on the assumption that such benefits are payable on termination of employment and method adopted for its calculation has been worked on Actuarial Valuation basis.

Current Liabilities
Financial Liabilities
Note 19: Short Term Borrowings
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| a) Secured: | | |
| Working Capital Loans | | |
| - Cash Credit | 9,73,32,822 | 6,05,32,894 |
| - Sales LCBD | 0 | 2,49,99,832 |
| - Overdraft against FD | 74,28,270 | 74,90,000 |
| - Overdraft against Property | 85,01,669 | 90,46,242 |
| TOTAL | 11,32,62,761 | 10,20,68,969 |

Details of Security:

- 1) Working capital loan, - CC taken from DCB Bank is secured by pari passu charge by way of : a) Hypothecation of Inventories and Book Debts/Receivables and other current assets.
- 2) Working Capital Loan - Sales LCBD is secured by Hypothecation of Inventories and accompanied by accepted Invoice and GRN from party.
- 3) Working Capital Loans - CC and LCBD are further secured by:
 - a) Equitable mortgage on the factory Land and Building on Plot nos. 13 to 16 standing in the name of the Company at Dewan, Palghar - Plot Area : 5398.24 sq mt;
 - b) Equitable Mortgage of Flat No. 302, Shri Raj Apartments, Palghar in the name of the Company;
 - c) Equitable Mortgage of Flat No. 802, A Wing, Lodha Evoq, New Cuffe Parade, Mumbai in the name of the Company and
 - d) Hypothecation of entire Plant & Machinery, Furniture & Fixtures including spares, tools, accessories etc.
- 4) Working Capital Loan - Overdraft against FD is secured by Lien on Fixed Deposit with DCB Bank.
- 5) Working Capital Loan - Overdraft against Property is secured by Equitable mortgage on the factory Land and Building on Plot nos. 13 to 16 standing in the name of the Company at Dewan, Palghar.

Details of Security:

Working capital loans - CC and LCBD taken from ICICI Bank are secured by:

- First pari pasu charge on present and future current assets of the company,
- Bill discounting facility is with recourse to the Company;
- Exclusive Charge by way of Equitable Mortgage of office premises located at B 1303, Naman Midtown, Mumbai 400013 and
- Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia.

Note 20: Trade Payables

| (Amount in Rs.) | | |
|----------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Micro and small enterprise | 8,76,662 | 10,32,670 |
| Others | 3,92,03,689 | 2,85,43,488 |
| TOTAL | 4,00,80,351 | 2,95,76,158 |

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006.

| (Amount in Rs.) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Principal amount remaining unpaid to suppliers as at the end year. | 8,76,662 | 55,77,900 |
| Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end. | - | - |
| Amount of the interest paid by the Company in terms of Section 16 | - | - |
| Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act. | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting year. | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, small and Medium Enterprises Development Act, 2006.

Note 21: Other Financial Liabilities

| (Amount in Rs.) | | |
|------------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Employee Related Liabilities | 52,30,016 | 53,11,554 |
| Others | 65,332 | 66,182 |
| TOTAL | 52,95,348 | 53,77,736 |

Note 22: Other Current Liabilities

| (Amount in Rs.) | | |
|---------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Other Current liabilities | 2,25,84,931 | 1,32,51,711 |
| Statutory dues payable | 19,90,256 | 14,97,182 |
| Advance against Sales | 16,49,352 | - |
| TOTAL | 2,62,24,540 | 1,47,48,893 |

Note 23: Short Term Provisions

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| Provision for Employee benefits | 5,97,056 | 5,23,823 |
| TOTAL | 5,97,056 | 5,23,823 |

Note 24: Revenue from Operations

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Sale of products | | |
| Domestic sale - Socks | 20,03,09,290 | 31,87,89,545 |
| Export sale & Entitlement - Third party Exports - Socks | - | - |
| Yarn Sale for Socks Purchase/Re-processing | 2,18,91,337 | 4,23,81,310 |
| Sale of Wastage | 22,830 | 39,792 |
| TOTAL | 22,22,23,457 | 36,12,10,647 |

Note 25: Other Income

(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Interest Income | 35,05,499 | 37,72,971 |
| Dividend | 30,549 | 36,333 |
| Profit / (Loss) on sale of Fixed Assets | - | 5,16,929 |
| Cash Discount | - | - |
| Miscellaneous Income | - | 2,69,311 |
| Net gain/(loss) on Fair value of Equity instruments | 28,14,172 | (3,64,351) |
| Duty Drawback | - | - |
| TOTAL | 63,50,220 | 42,31,193 |

Note 26: Cost of materials consumed

| Particulars | (Amount in Rs.) | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (a) Raw Material Consumed | | |
| Opening Stocks | 2,30,12,554 | 2,68,11,866 |
| Add: Purchases | 8,72,93,954 | 12,51,93,430 |
| | 11,03,06,508 | 15,20,05,296 |
| Less: Closing Stocks | 2,99,57,270 | 2,30,12,554 |
| | 8,03,49,238 | 12,89,92,742 |
| (b) Packing Material Consumed | | |
| Opening Stocks | 45,47,440 | 39,49,623 |
| Add: Purchases | 1,37,10,034 | 2,17,96,423 |
| | 1,82,57,474 | 2,57,46,046 |
| Less: Closing Stocks | 56,01,924 | 45,47,440 |
| | 1,26,55,550 | 2,11,98,606 |
| (c) Job Work Material Consumed | | |
| Opening Stocks | 1,77,76,026 | 2,28,63,668 |
| Add: Job Work charges | 2,25,20,911 | 3,66,26,663 |
| | 4,02,96,937 | 5,94,90,331 |
| Less: Closing Stocks | 1,91,43,943 | 1,77,76,026 |
| | 2,11,52,994 | 4,17,14,305 |
| TOTAL | 11,41,57,783 | 19,19,05,653 |

Note 27: Purchase of Stock in Trade

| Particulars | (Amount in Rs.) | |
|----------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Traded Goods - Socks | 3,66,83,100 | 6,30,05,819 |
| TOTAL | 3,66,83,100 | 6,30,05,819 |

Note 28: Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade

| Particulars | (Amount in Rs.) | |
|-----------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Opening Stocks | | |
| Finished Goods | 4,21,57,810 | 3,12,55,399 |
| Spares & Consumables | 8,00,000 | 8,00,000 |
| | 4,29,57,810 | 3,20,55,399 |
| Less: | | |
| Closing Stocks | | |
| Finished Goods | 4,18,42,834 | 4,21,57,810 |
| Spares & Consumables | 12,00,000 | 8,00,000 |
| | 4,30,42,834 | 4,29,57,810 |
| TOTAL | (85,024) | (1,09,02,411) |

Note 29: Employee Benefits Expenses

| Particulars | (Amount in Rs.) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Employees Salary & wages | 1,53,49,894 | 1,82,55,316 |
| Contractors' Payments | 1,27,86,946 | 1,13,98,995 |
| Provident Fund Employer's Contribution | 12,38,576 | 16,39,799 |
| Gratuity to Employees | 14,76,425 | 13,11,004 |
| Bonus to Employees | 12,85,946 | 10,38,615 |
| ESIC Employer's Contribution | 2,90,270 | 3,94,479 |
| TOTAL | 3,24,28,057 | 3,40,38,208 |

Note 30: Finance Cost

| Particulars | (Amount in Rs.) | |
|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Bank charges | - | - |
| Interest paid | | |
| 1) To Banks | | |
| - On Term Loan | 59,20,945 | 68,47,689 |
| - On Working Capital | 75,75,185 | 55,61,482 |
| - On Overdraft | 15,49,848 | 9,42,502 |
| 2) To Others | | |
| - On Fixed Deposits | - | - |
| - On Unsecured Loans | - | - |
| - On Car Loans | - | - |
| - On Others | 4,21,283 | - |
| 3) For Bill Discounting | 3,34,913 | 35,74,222 |
| TOTAL | 1,58,02,174 | 1,69,25,895 |

Note 32: Power and Fuel Cost

| Particulars | (Amount in Rs.) | |
|----------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Power Cost - MSEDCL | 79,75,739 | 1,28,81,192 |
| Diesel Cost - DG Set | 1,12,325 | 2,23,376 |
| TOTAL | 80,88,064 | 1,31,04,568 |

Note 33: Other Expenses
(Amount in Rs.)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| MANUFACTURING EXPENSES | | |
| Carriage Inward | 11,50,728 | 17,87,331 |
| Commission on Purchase | 99,215 | 2,62,256 |
| Consumables Stores & Spares | 7,76,374 | 7,43,541 |
| Embroidery Charges | 1,08,737 | - |
| Factory Expenses | 54,943 | 48,624 |
| Hamali Charges | 40,020 | 58,800 |
| Oil Purchases | 80,595 | 93,870 |
| Repair and Maintenance - Plant & Machinery | 11,92,793 | 10,70,174 |
| Testing Charges | 2,29,194 | 73,442 |
| Washing Charges | 19,84,170 | 21,48,471 |
| Printing Charges | - | - |
| | 57,16,768 | 62,86,509 |
| SELLING AND DISTRIBUTION EXPENSES | | |
| Business Promotion Expenses | 1,13,793 | 3,74,099 |
| Carriage Outward | 23,61,188 | 42,41,204 |
| Claims & Shortages | 8,81,998 | 7,79,085 |
| Rent on Warehouse | 7,55,000 | 2,52,000 |
| Packing & Forwarding | 14,503 | 1,26,559 |
| Sales Promotion Expenses | 6,62,343 | 5,77,580 |
| | 47,88,824 | 63,50,526 |
| ADMINISTRATIVE AND OTHER EXPENSES | | |
| Advertisement & Publicity | 41,184 | 38,684 |
| Annual General Meeting Exp Acc | 49,061 | 2,07,076 |
| Payment to Auditors | 2,00,000 | 2,00,000 |
| Bank Charges | 5,55,275 | 7,30,419 |
| Bad Debts | 13,942 | - |
| Car Insurance | 1,00,596 | 1,13,848 |
| Communication Expenses | 1,82,874 | 2,52,891 |
| Conveyance | 39,672 | 1,37,642 |
| Courier & Postage Charges | 1,06,792 | 1,90,260 |
| Donation | 12,775 | 5,512 |
| Director's remuneration | 55,00,000 | 60,00,000 |
| Director Sitting Fees | 81,250 | 60,000 |
| Electricity Expenses | 3,07,736 | 2,31,697 |
| Insurance | 6,02,407 | 6,67,603 |
| Legal & Professional Fees | 9,10,126 | 10,12,455 |
| Legal License Fees | 6,29,630 | 7,54,516 |
| Listing Fees | 3,00,000 | 3,00,000 |
| Membership & Subscription | 1,20,089 | 1,01,954 |
| Miscellaneous Expenses | 7,19,747 | 3,95,268 |
| Municipal Tax | 10,19,962 | 23,317 |
| Office Expenses | 1,55,207 | 1,39,424 |
| Printing & Stationery | 2,00,477 | 2,01,499 |
| Professional Tax | 3,575 | 2,500 |
| Repair & Maintenance | 16,90,446 | 2,52,477 |
| Sales Tax A.O Dues | - | 65,607 |
| Security Charges | 10,12,985 | 10,19,754 |
| Info Tech Expenses | 3,09,024 | 1,88,508 |
| Transfer Agent Fees | 1,52,884 | 1,54,830 |
| Travelling Expenses | 67,432 | 20,12,223 |
| Vehicles Running Expenses | 2,27,489 | 4,54,431 |
| Welfare - Employees' benefits | 6,81,579 | 9,72,954 |
| | 1,59,94,216 | 1,69,07,348 |
| TOTAL (A+B+C) | 2,64,99,808 | 2,95,44,383 |

Note 34: Tax Expense

| Particulars | (Amount in Rs.) | |
|--------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Current Tax | 0 | 40,00,000 |
| Deferred Tax | (20,119) | 4,62,231 |
| TOTAL | (20,119) | 44,62,231 |

Note 35: Earning Per Share

| Particulars | (Amount in Rs.) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Basic earning per share | | |
| Profit after tax (Amt in Rs.) | (1,59,26,487) | 1,19,16,860 |
| Weighted average no. of equity shares | 27,64,326 | 27,64,326 |
| Nominal value of each equity shares | 10 | 10 |
| Basic earning per share (in Rs.) | (5.76) | 4.31 |
| Diluted earnings per share (in Rs.) | (5.76) | 4.31 |

Note 36: Contingent Liabilities
i) Claims against the Company not acknowledgement as debts
- Income tax matters disputed in ITAT appeal

The Company has filed an Appeal before Income Tax Appellate Tribunal, Mumbai against Income Tax Demand of Rs. 74,46,117/- for A.Y. 2005-06 and A.Y. 2006-07 and paid Rs. 28,61,057/- against these. The said ITAT appeal was decided in favor of company vide consolidated ITAT Appeal order dated 15/09/2016. The company has filed for ITAT Appeal Effect on 15/09/2016 and ACIT passed the appeal effect order dated 31/03/2017 for AY 2005-06 and pending for AY 2006-07 as on date.

ii) Bank Guarantee

| Particulars | (Amount in Rs.) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| a) Guarantee issued to Customs Department towards import of Capital goods under EPCG scheme for which the Company is hopeful to meet its obligations as per schedule | 39,15,000 | 39,15,000 |
| Guarantee issued to Maharashtra Pollution Control Board towards renewal of Licence | 5,00,000 | 5,00,000 |
| TOTAL | 44,15,000 | 44,15,000 |

Note 37: Directors Remuneration

| Particulars | (Amount in Rs.) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Director Remuneration (Salaries and Allowances) | | |
| Managing Director | 27,50,000 | 30,00,000 |
| Whole time Directors | 27,50,000 | 30,00,000 |
| TOTAL | 55,00,000 | 60,00,000 |

Note 38: Auditors Remuneration

| Particulars | (Amount in Rs.) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Audit Fees | 2,00,000 | 2,00,000 |
| Taxation Matters | - | - |
| Certification and other charges | - | - |
| Total | 2,00,000 | 2,00,000 |

Note 39:

Some of the sundry debtors, sundry creditors and loans & advances are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustment.

Note 40:

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business.

Note 41:

The items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Raw material comprises of Yarn and packing material at cost, Wastage is valued at net realizable value. Cost of Raw material, finished goods, Spare and Consumables are determined on First in Forst out basis. (FIFO)

Note 42:

Previous year figure have been regrouped / reclassified to conform with current year presentation, whenever considered necessary.

Note 43: Capacities and Production

| Particulars | Number of Pairs | |
|-----------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Installed Capacity | 99,22,500 | 99,22,500 |
| Actual Production | 44,80,614 | 72,09,357 |
| Actual Socks Purchase | 14,39,296 | 24,04,898 |

Installed capacity for the year has been calculated on the basis of machines in use and running in production. As of March 31, 2021, out of the 267 machines, 224 machines have been put to use in production. Installed capacity of machines in production during the year is taken on a pro rata basis based on the number of days machines were put to use.

Note 44:

Insurance claim of Rs. 89.35 Lakhs along with interest thereon up to date of settlement is filed by the company on account of fire occurred at the Company's Godown at Aliyali - Palghar, Maharashtra on 26th August, 2008 damaging complete Building and Stock in hand and the same is still pending with the insurance company. The Company has filled a case against the insurance company in the National Consumer Court, New Delhi. The case is under hearing as on March 31, 2021.

Note 45:

The Company has to fulfil export obligations under EPCG license granted to the same on conversion from EOU status to DTA status. Since the Machineries required for completion of the said obligation has destroyed in fire in Dec' 2004, the Company has taken up the matter with the relevant authorities for cancellation of the said License. The matter is still pending with relevant Authority as on March 31, 2021.

Note 46: Additional Information

| C.I.F. Value of Imports | (Amount in Rs.) | |
|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Spares & Consumables | 2,21,028 | - |
| Plant & Machinery | - | - |

| Foreign Exchange Earning & Outgo | (Amount in Rs.) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Foreign Exchange Earning (F.O.B. Value of Exports) | - | - |
| Foreign Exchange Outgo | | |
| - Travelling | - | 9,90,595 |
| - Advance for Spares and Consumables | - | - |
| - Plant & Machinery | - | - |
| - Spares & Consumables | 2,21,028 | - |

Quantitative Details

| Raw Material (Yarn) | As at March 31, 2021 | | As at March 31, 2020 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Qty. (kgs.) | Amount (Rs.) | Qty. (kgs.) | Amount (Rs.) |
| Opening Stock | 61,351.525 | 2,30,12,554 | 74,471.804 | 2,68,11,867 |
| Purchased during the year (Net of returns) | 2,63,125.979 | 8,72,93,954 | 3,84,215.064 | 12,51,93,430 |
| Yarn Sales | 61,801.420 | 2,18,91,337 | 1,21,440.250 | 4,23,81,310 |
| Issued for Job Work during the year (Net of Returns) | 77,847.184 | 2,84,98,314 | 1,33,201.769 | 3,48,77,110 |
| Consumption during the year | 1,06,737.465 | 2,99,59,587 | 1,42,693.324 | 5,17,34,323 |
| Closing Stock | 78,091.435 | 2,99,57,270 | 61,351.525 | 2,30,12,554 |

| Raw Material (Packing Material) | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| | Amount (Rs.) | Amount (Rs.) |
| Opening Stock | 45,47,440 | 39,49,623 |
| Purchased during the year | 1,37,10,034 | 2,17,96,423 |
| Consumption during the year | 1,26,55,550 | 2,11,98,606 |
| Closing Stock | 56,01,924 | 45,47,440 |

| Raw Material (At Job Work) | As at March 31, 2021 | | As at March 31, 2020 | |
|--|-------------------------|--------------------|-------------------------|--------------------|
| | Qty. (kgs.) | Amount (Rs.) | Qty. (kgs.) | Amount (Rs.) |
| Opening Stock | 47,252.826 | 1,77,76,026 | 63,887.886 | 2,28,63,668 |
| Issued for Job Work during the year (Net of Returns) | 77,847.184 | 2,84,98,314 | 1,33,201.769 | 3,48,77,110 |
| Receipt from Job Work during the year | 74,783.238 | 2,71,30,397 | 1,49,836.829 | 3,99,64,752 |
| Closing Stock | 50,316.772 | 1,91,43,943 | 47,252.826 | 1,77,76,026 |

| Finished Goods (Socks) | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------------------------|-------------------------|--------------------|-------------------------|--------------------|
| | No. of Pairs | Amount (Rs.) | No. of Pairs | Amount (Rs.) |
| Opening Stock | 12,74,438 | 4,21,57,810 | 11,25,514 | 3,12,55,399 |
| Production/Job Work during the year | 44,80,614 | 16,33,11,213 | 72,09,357 | 26,66,86,137 |
| Socks Purchased | 14,39,296 | 3,66,83,100 | 24,04,898 | 6,30,05,819 |
| Sales (Net of Returns) | 59,62,842 | 20,03,09,290 | 94,65,331 | 31,87,89,545 |
| Closing Stock | 12,31,506 | 4,18,42,834 | 12,74,438 | 4,21,57,810 |

Note 47: Related Party Disclosure

| Name of the Related Party | Relationship |
|---|---|
| Mr. Danny F. Hansotia Mr. Sanjay S. Gadodia Mrs. Sunita Misri Mrs. Anita Prasad Koti Mr. Sashikant Newatia | Key Management Personnel |
| Orient Socknit (India) Private Limited Juvenile Trading Private Limited Carnival Properties Private Limited Spenta Woolens Limited Vishwalane Textile Private Limited | Enterprise over which Key Management Personnel are able to exercise significant Influence |

| Nature of Transaction | Key Management Personnel | |
|--|--------------------------|---------------|
| | Current Year | Previous Year |
| Remuneration* | | |
| Mr. Danny F. Hansotia | 27.50 | 30.00 |
| Mr. Sanjay S. Gadodia | 27.50 | 30.00 |
| Independent Director Sitting Fees | | |
| Mrs. Sunita Misri | 0.30 | 0.30 |
| Mr. Sashikant Newatia | 0.21 | - |
| Mrs. Anita Prasad Koti | 0.30 | 0.30 |

*Remuneration is being disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

Note 48: Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Knitted Socks.

Note 49:

During the FY 20-21, Top 2 customers accounted for 48.65% of revenue (FY 19-20, Top 2 customers accounted for 54.71% of revenue)

Note 50: Financial Instruments by category

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|------------------------------------|-------------------------|----------|---------------------|-------------------------|----------|---------------------|
| | FVPL | FVOCI | Amortized cost | FVPL | FVOCI | Amortized cost |
| Financial assets | | | | | | |
| i) Investments | | | | | | |
| - Equity instruments | 49,90,361 | | 50,00,000 | 21,76,189 | | 50,00,000 |
| - Inter corporate Deposit | | | | | | |
| ii) Trade receivables | | | 14,50,13,523 | | | 10,52,34,874 |
| iii) Loans and advances | | | 52,89,926 | | | 51,44,741 |
| iv) Cash and Cash Equivalents | | | 4,72,08,529 | | | 4,57,67,193 |
| v) Security Deposit | 44,342 | | 19,91,170 | 1,96,051 | | 17,91,092 |
| vi) Interest receivable | | | 27,12,124 | | | 23,89,877 |
| Total financial assets | 50,34,703 | - | 20,72,15,273 | 23,72,240 | - | 16,53,27,777 |
| Financial liabilities | | | | | | |
| i) Borrowings | | | 19,14,64,011 | | | 15,37,53,278 |
| ii) Trade payables | | | 4,00,80,351 | | | 2,95,76,158 |
| iii) Other financial liabilities | | | 52,95,348 | | | 53,77,736 |
| Total financial liabilities | - | - | 23,68,39,709 | - | - | 18,87,07,172 |

Note 50.1:

The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current borrowings, current loans and other financial assets & liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

Note 50.2:

The management considers that the carrying amounts of financial assets and financial liabilities recognized at nominal cost/amortized cost in the financial statements approximate their fair values.

Note 50.3:

Noncurrent borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Note 51: Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

| Particulars | As at March 31, 2021 | | | | As at March 31, 2020 | | | |
|-------------------------------------|-------------------------|---------------|----------------|------------------|-------------------------|---------------|-----------------|------------------|
| | Level (i) | Level (ii) | Level (iii) | Total | Level (i) | Level (ii) | Level (iii) | Total |
| Financial assets | | | | | | | | |
| Financial Investment at FVPL | | | | | | | | |
| Listed equity investments | 49,90,361 | - | - | 49,90,361 | 21,76,189 | - | - | 21,76,189 |
| Security Deposits | - | - | 44,342 | 44,342 | | | 1,96,051 | 1,96,051 |
| Total financial assets | 49,90,361 | - | 44,342 | 50,34,703 | 21,76,189 | - | 1,96,051 | 23,72,240 |

Note 51.1:

During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Note 51.2: Explanation to the Fair Value hierarchy

The Company measures financial instruments, such as, quoted investments and interest free security deposit at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of quoted shares have been made based on level 1 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of quoted equity instruments have been valued based on the closing price at each reporting date from BSE. The valuation of interest free security deposit have been made based on level 3 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of interest free security deposit have been valued based on valuation technique applicable.

Note 52: Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments. Various kinds of financial risks and their mitigation plans are as follows:

Note 52.1: Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Foreign Exchange Risk and Interest Rate Risk.

Note 52.1.1: Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of the movement in foreign exchange rate. The Company does not have any material foreign currency exposure at the balance sheet date. The Foreign currency exposure is Unhedged at the balance sheet date.

Note 52.1.2: Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure.

The Company is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds.

Exposure to interest rate risk

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Non-current Borrowing at floating rate | 7,82,01,249 | 5,16,84,309 |
| TOTAL | 7,82,01,249 | 5,16,84,309 |

Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---------------------------|-------------------------|----------------------|-----------------|-------------------------|----------------------|-----------------|
| | Sensitivity Analysis | Impact on | | Sensitivity Analysis | Impact on | |
| | | Profit before tax | Other Equity | | Profit before tax | Other Equity |
| Interest Rate Increase by | 1% | (7,82,012) | (5,64,457) | 1% | (5,16,843) | (3,73,057) |
| Interest Rate Decrease by | 1% | 7,82,012 | 5,64,457 | 1% | 5,16,843 | 3,73,057 |

Note 52.1.3: Price Risk

The table below summarizes the impact of increase/decreases of the index on the group's equity and profit for the period. The analysis is based on the assumption that the equity index had increased or decreased by 7% with all other variable constant, and that all the group's equity instruments moved in line with index.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------|-------------------------|-------------------------|
| Investment in Equity instruments | 49,90,361 | 21,76,189 |
| TOTAL | 49,90,361 | 21,76,189 |

| Particulars | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---------------------------|-------------------------|----------------------|-----------------|-------------------------|----------------------|-----------------|
| | Sensitivity Analysis | Impact on | | Sensitivity Analysis | Impact on | |
| | | Profit before tax | Other Equity | | Profit before tax | Other Equity |
| Interest Rate Increase by | 7% | 3,49,325 | 2,52,143 | 7% | 1,52,333 | 1,09,954 |
| Interest Rate Decrease by | 7% | (3,49,325) | (2,52,143) | 7% | (1,52,333) | (1,09,954) |

Note 52.2: Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for funding from banks and inter corporate and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. The table below summarizes the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

Note 52.2.1: Maturity Analysis for financial liabilities

| Particulars | On demand | < 6 months | 6 to 12 months | > 1 year | Total |
|-----------------------------|--------------|-------------|----------------|-------------|--------------|
| Borrowings | 11,32,62,761 | 40,55,085 | 85,63,014 | 6,55,83,150 | 19,14,64,011 |
| Other financial liabilities | | 52,95,348 | | | 52,95,348 |
| Trade payables | | 4,00,80,351 | | | 4,00,80,351 |

| Particulars | On demand | < 6 months | 6 to 12 months | > 1 year | Total |
|-----------------------------|--------------|-------------|----------------|-------------|--------------|
| Borrowings | 10,20,68,969 | 81,49,778 | 34,46,988 | 4,00,87,543 | 15,37,53,278 |
| Other financial liabilities | | 53,77,736 | | | 53,77,736 |
| Trade payables | | 2,95,76,158 | | | 2,95,76,158 |

The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

Note 52.3: Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit duration for customers on continuous basis. Further, in order to manage the credit risk, the security deposits are obtained from customers where ever considered necessary.

On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit duration for customers on continuous basis. Further, in order to manage the credit risk, the security deposits are obtained from customers where ever considered necessary.

On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

| Particulars | 0-90 days | 91-180 days | 181-365 days | above 365 days | Total |
|---------------------|----------------|----------------|----------------|----------------|-----------------|
| As at 31 March 2020 | 6,25,71,017.00 | 3,16,84,005.00 | 1,13,27,314.00 | 8,42,225.00 | 10,64,24,561.00 |
| As at 31 March 2021 | 8,82,52,048.00 | 1,82,99,243.00 | 66,09,382.00 | 3,36,62,942.00 | 14,68,23,615.00 |

The expected credit loss analysis on these trade receivables is given in below table:

| Particulars | Amount |
|----------------------------|------------------|
| As at 01 April 2020 | 11,89,687 |
| Change in allowance | 6,20,405 |
| As at 31 March 2021 | 18,10,092 |

Trade receivables outstanding more than 365 days includes Rs. 3,17,60,056/- receivable from Future group and the same are not provided for in the books of accounts due to written assurance from the Chairman, Future Group that the above amount will be paid in full on the successful completion of their merger deal.

Note 53: Capital Management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Company may adjust the amount of dividends paid to shareholders.

Note 53.1: Net Debt Reconciliation

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | 24,77,493 | 34,41,720 |
| Non-current borrowings | (7,82,01,249) | (5,16,84,309) |
| Current borrowings | (11,32,62,761) | (10,20,68,969) |
| Net debt | (18,89,86,517) | (15,03,11,558) |

| Particulars | Cash and cash equivalents | Non-current borrowings | Current borrowings | Total |
|--------------------------|------------------------------|---------------------------|-----------------------|----------------|
| Net debt as on 31-Mar-20 | 34,41,720 | (5,16,84,309) | (10,20,68,969) | (15,03,11,558) |
| Cash flows | (9,64,227) | (2,65,16,940) | (1,11,93,793) | (3,86,74,960) |
| Net debt as on 31-Mar-21 | 24,77,493 | (7,82,01,249) | (11,32,62,761) | (18,89,86,518) |

Note 53.2:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|-------------------------|-------------------------|
| Net debt | 18,89,86,517 | 15,03,11,558 |
| Equity | 24,32,04,554 | 26,16,06,664 |
| Capital and Net debt | 43,21,91,071 | 41,19,18,222 |
| Gearing ratio | 43.73% | 36.49% |

Note 54:

The Board of Directors at its meeting held on 25th June, 2021 has not recommended any dividend for the financial year ended 31st March, 2021 due to losses incurred for the year on account of ongoing Covid-19 pandemic and macroeconomic environment.

**For M/s. A K Kochar & Associates
Chartered Accountants**

For and behalf of the Board of Directors

Sd/-

(CA Hitesh Kumar S.)

Partner

Membership No.: 134763

Firm Registration No. 120410W

UDIN - 21134763AAAACN7626

Place :- Mumbai

Date : 25th June, 2021

Sd/-

Sanjay S. Gadodia

(Chairman/CEO)

DIN - 00203433

Sd/-

Danny F. Hansotia

(Managing Director/CFO)

DIN - 00203497

Place :- Palghar

Date : 25th June, 2021