

Mihika Industries Limited

**36TH Annual Report
2018-19**

Board of Directors : **Mali Chand Agarwal**
Chairman, Independent Director

Kuldeep Kumar Sethia
Managing Director

Shweta Sethia
Executive Director and Chief Financial Office

Manoj Sethia
Non-Independent Non- Executive Director

Rajesh Shah
Independent Director

Company Secretary and Chief Compliance Officer: **Smita Jain**

Audit Committee : **Rajesh Shah**
Mali Chand Agarwala
Kuldeep Kumar Sethia

Stakeholders' Relationship Committee: **Manoj Sethia**
Mali Chand Agarwala
Rajesh Shah

Nomination and Remuneration Committee : **Rajesh Shah**
Mali Chand Agarwala
Manoj Sethia

Auditors : **M/s. J Gupta & Co LLP**
Chartered Accountants

Bankers: **IndusInd Bank Limited**
HDFC Bank Ltd.

Registered Office : 3, Bentinck Street, 2nd Floor,
Kolkata – 700 001

E-mail : mihikaindustries@gmail.com
Website: www.mihika.co.in

CIN : **L70101WB1983PLC035638**

Registrar and Share Transfer Agent : **ABS Consultant Pvt. Ltd.**
Room No.- 99, 6th Floor,
Stephen House,
4, B. B. D. Bag (East) , Kolkata – 700 001
Telephone : 033-22301043/22430153
E-mail : absconsultant99@gmail.com

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NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of **Mihika Industries Limited** will be held at the Registered Office of the Company at 3, Bentinck Street, 2nd Floor, Kolkata-700001 at 1:00 P.M. on Monday, the 30th September, 2019 to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Manoj Sethia (DIN: 00585491), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS

3. **Re-appointment of Mr. Rajesh Shah (DIN: 06746791) as an Independent Director**

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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Shah (DIN: 06746791), be and is hereby re-appointed an Independent Director for a second term on 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the Calendar year 2024."

4. **Re-appointment of Mr. Mali Chand Agarwala (DIN: 00772091) as an Independent Director**

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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mali Chand Agarwala (DIN: 00772091), be and is hereby re-appointed an Independent Director for a second term for 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the Calendar year 2024."

By order of the Board

Place: Kolkata

Date: 31st August, 2019

Smita Jain

Company Secretary

NOTES

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its registered office not less than 48 hours before the meeting. A person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
2. Proxies submitted on behalf of Limited Companies, Body Corporates, Societies etc. must be supported by appropriate resolution/authority, as applicable. Blank Proxy form is attached.
3. Route-map to the venue of the Meeting is provided at the end of the notice for the convenience of the members.
4. Corporate members are intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2019 to 30.09.2019 (both days inclusive).
6. Brief resume of the Directors being appointed/re-appointed, nature of the expertise in specific functional areas, names of Indian Public Limited Companies in which he/she holds directorship and membership/Chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the notice forming part of Annual Report.
7. The Company's shares are listed on BSE Ltd. with scrip Code 538895.
8. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and Holidays between 11:00 a.m. and 1:00 p.m. up to the date of the Annual General Meeting.

9. Updation of Members' Details:

The format of Register of Members prescribed by Ministry of Corporate Affairs under the Act requires the Company/Registrar and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form requesting for such additional details is appended to this Notice. Members holding shares in physical form are requested to submit the form duly filled in to the Company or ABS Consultant Private Limited.

10. Members are requested:

- a) To bring their attendance slip along with their copy of Annual Report to the Meeting;
- b) To quote their Ledger Folio No./DP ID and Client ID in all communications addressed to the Company;
- c) To notify immediately any change in your address (including pin code), bank details to Company/RTA in case the shares are held in physical form; and
- d) In case the shares held in dematerialized form please update any change in your address (including pin code), bank details to your respective Depository Participant.

11. Voting through electronic means

- l. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facilities to cast their votes on all resolutions set forth in the Notice of the Annual General Meeting using electronic means and business may be transacted through remote e-voting. The Company has engaged the service of Central Depository Services (India) Ltd. (CDSL) as the authorized agency to provide the remote e-voting facilities.

The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

The notice of the e-voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-voting particulars are provided at the bottom of the Attendance Slip.

The remote e-voting period begins from 27-09-2019 from 9.00 A.M. and ends on 29-09-2019 till 5.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 23-09-2019 may cast their vote electronically. The remote e-voting module shall be disabled by Central Depository Services (India) Ltd. for voting thereafter.

The Instructions for E-Voting are as under:

- a. Log on to the e-voting website: www.evotingindia.com during the voting period.
- b. Click on "Shareholders" tab.
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "**Mihika Industries Limited**" from the drop down menu and click on "SUBMIT".
- d. Now enter your User ID (as mentioned in the Attendance Slip):
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through Central Depository Services (India) Ltd. platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the details in Attendance Slip can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the relevant EVSN "**Mihika Industries Limited**" for which you choose to vote.
- l. On the voting page, you will see "**Resolution Description**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code, click on Forgot Password & enter the details as prompted by the system.
- r. For Non-Individual Shareholders and Custodian:
 - Institutional shareholders (i.e. other than Individuals, HUF etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Authorized Person/Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com .
- III. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. Any person who becomes a Member of the Company after dispatch of this Notice and holding shares as on the cut-off date i.e. 23.09.2019, may obtain the User ID and password for Remote E-voting by sending request at mihikaindustries@gmail.com.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of 23.09.2019.
- VI. Ms. Twinkle Pandey, a Practicing Company Secretary, (ACS No. 49208) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall, after scrutinizing the votes cast at the Annual General Meeting and through Remote E-voting, not later than 2 (two) days from the conclusion of the Annual General Meeting make a consolidated Scrutinizer’s report and submit the same to the Chairman.
- VIII. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website at www.mihika.co.in and on the website of Central Depository Services (India) Ltd. viz. www.evotingindia.com within two days of passing of the resolutions at the 36th Annual General Meeting (AGM) of the Company on 30th September, 2019 and communicate to the BSE Ltd., where Equity Shares of the Company is listed.

By order of the Board

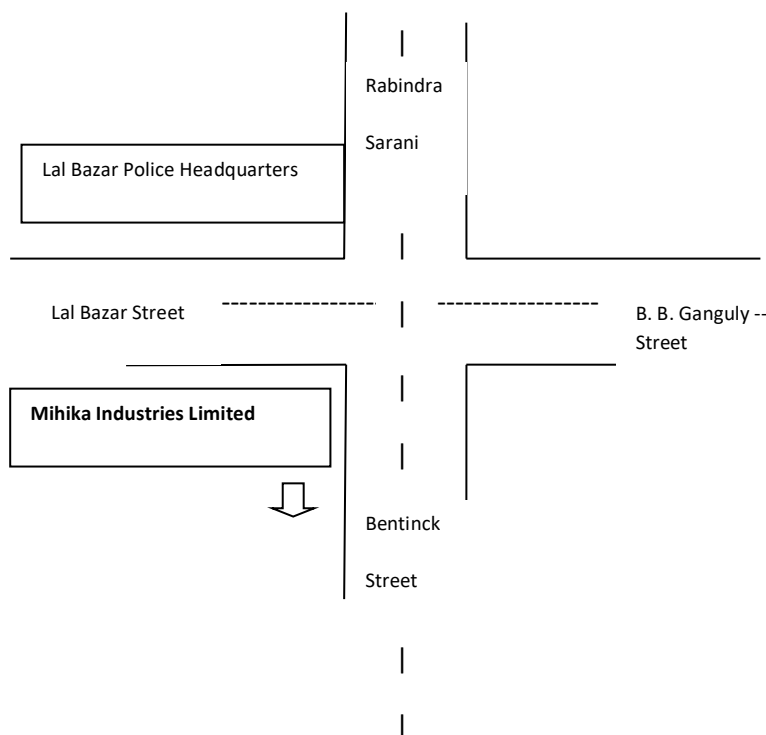
Place: Kolkata

Smita Jain

Date: 31st August, 2019

Company Secretary

Route Map to the Venue of the 36th Annual General Meeting of Mihika Industries Limited



EXPLANATORY STATEMENT [PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013(the Act)]

Item No. 3 and 4

Mr. Rajesh Shah and Mr. Mali Chand Agarwala were appointed an Independent Directors of the Company at the 31st Annual General Meeting for a period of five consecutive years commencing from the conclusion of the said AGM till the conclusion of the 36th Annual General Meeting.

As per the section 149(10) of the Act, an Independent Director can be on the Board of the Company for a term of five years, but was eligible for a re-appointment for another five years term subject to approval by special resolution.

Based upon the recommendation of the Nomination and Remuneration Committee and as approved by the Board, Mr. Rajesh Shah and Mr. Mali Chand Agarwala, being eligible for re-appointment as Independent Directors and having offered themselves for re-appointment, are proposed for re-appointment as Independent Directors for a second term of five years from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company.

The Board considers it desirable that the expertise of the two persons concerned should continue to be available. All two have considerable expertise in their areas of specialization and thus continued availability of their advice and guidance will benefit the Board, Accordingly, it commends to shareholders, the approval by special resolution of the appointments of Mr. Rajesh Shah and Mr. Mali Chand Agarwala. The requisite notices under section 160 of the Act have been received from shareholders proposing the above person as Directors.

The Company has received the requisite declaration confirming that the above person meet the criteria of Independence as per 149 (6) of the Act and the applicable SEBI Regulations.

In the opinion of the Board, all two Directors fulfill the conditions specified under section 149(6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment as Independent Directors and are Independent of the management.

Brief particular of Mr. Manoj Sethia, Mr. Rajesh Shah and Mr. Mali Chand Agarwala as required under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 are annexed to this notice.

Mr. Rajesh Shah and Mali Chand Agarwala are interested in the resolution set out at item no 3 and 4 respectively of the notice with regard to re- appointment.

No other directors or Key Managerial Personnel or their relatives are in anyway, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors, therefore, recommend the resolutions for approval of the Members.

Annexure

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the director seeking appointment/re-appointment at the forthcoming Annual General Meeting (Refer item no. 2, 3 & 4 of the Notice)

Name of Director	Mr. Manoj Sethia	Mr. Rajesh Shah	Mr. Mali Chand Agarwala
Date of Birth	7 th May, 1970	6 th December, 1962	1 st January, 1968
Qualification	FCA, ACS, ACMA	B.Com(Hons), FCA, LLB	B.Com
Expertise in specific functional area	He is an eminent professional having experience in the field of Finance and Corporate Law.	Mr. Rajesh Shah is a Chartered Accountant, fellow member of the Institute of Chartered Accountant of India and has more than 30 years of experience in the field of Finance and Corporate Law.	He is having experience in the field of business for more than 26 years.
Directorship Held in other Companies (Excluding foreign companies)	Tribute Trading and Finance Limited and Sarvottam Finvest Limited	Sarvottam Finvest Limited	Tribute Trading and Finance Limited
Membership/Chairmanship of Committees of other Indian Public Companies: Tribute Trading and Finance Limited	Chairman: Stakeholders Relationship Committee Member: 1. Audit Committee 2. Nomination and Remuneration Committee	NIL	Member: 1. Audit Committee 2. Nomination and Remuneration Committee
Membership/Chairmanship of Committees of other Indian Public Companies: Sarvottam Finvest Limited	Chairman: Stakeholders Relationship Committee Member: 1. Audit Committee 2. Nomination and Remuneration Committee	Chairman: Audit Committee Member: 1. Nomination and Remuneration Committee 2. Stakeholders Relationship Committee	NIL
Number of shares held in the Company as on 31 st March, 2019	NIL	NIL	NIL
Directors' inter-se relationship	Mr. Manoj Sethia and Mr. Kuldeep Sethia are brothers. Mrs. Shweta Sethia is wife of Mr. Kuldeep Kumar Sethia.	None	None

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 36th Annual Report along with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	31st March, 2019	31st March, 2018
Profit / (Loss) before tax	(44.52)	(13.22)
Less: Tax Expense	(9.55)	(3.82)
Profit / (Loss) after tax	(34.97)	(9.41)
Other Comprehensive Income for the year, net of tax	0.00	0.00
Total Comprehensive Income for the year	(34.97)	(9.41)

DIVIDEND

With a view to conserve resources for growth of Company, the Board recommends no dividend for the year ended 31st March, 2019.

TRANSFER TO RESERVE

The Company did not transfer any amount to General Reserve during the year.

PUBLIC DEPOSITS

The Company has neither invited nor accepted/renewed any deposits from the public within the meaning of Chapter V of Companies Act, 2013 or extant regulations of the Reserve Bank of India during the year under review.

CAPITAL STRUCTURE

During the year, there has been no change in the capital base of the Company, which comprises of 10000000 Equity Shares of Rs.10/- each.

CHANGE IN NATURE OF THE BUSINESS

There has been no change in the nature of business of the Company during the year.

STATUTORY & LEGAL MATTERS

There has been no significant and/or material order(s) passed by any Regulators/Courts/Tribunals impacting the going concern status and the Company's operations in future.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of section 152 of the Companies Act, 2013, Mr. Manoj Sethia (DIN: 00585491), retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Upon a favourable recommendation from the Nomination and Remuneration Committee and accepted by it, the Board re-appointed Mr. Rajesh Shah (DIN: 06746791) and Mr. Mali Chand Agarwala (DIN: 00772091) as Independent Directors of the Company for a second term of five years from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the calendar year 2024. Appropriate Special Resolutions, to this effect, are also being proposed at the forthcoming Annual General Meeting.

Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment is given in the Notice Convening Annual General Meeting of the Company.

None of the Directors of the Company is disqualified for being appointed as a Director, under Section 164(2) of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Directors of the Company under section 149(7) of Companies Act, 2013 that they meet the criteria of Independence as laid down under the provisions of sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

There are no Subsidiaries, Joint Ventures and Associate Company during the financial year 2018-19 under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that:

- in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with the proper explanation relating to material departures, if any;
- that such accounting policies have been selected as mentioned in the Notes to Financial Statements and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the Loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of Company and for preventing and detecting fraud and other irregularities;
- that annual accounts have been prepared for the financial year ended 31st March, 2019 on 'going concern' basis;
- that proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that proper system have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDIT REPORT

M/s J. Gupta & Co LLP, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the 38th Annual General Meeting to be scheduled in 2021. They have confirmed their eligibility and are not disqualified to act as auditors of the Company.

The observations made by the auditors in the Auditors' Report are self explanatory and do not contain any qualification or any adverse remarks and, therefore need no further clarifications or any further explanations as required under sub-Section (3) of Section 134 of Companies Act, 2013.

SECRETARIAL AUDIT

In compliance with provisions of Section 204 and other applicable provisions of Companies Act 2013, a Secretarial Audit was conducted during the year by Secretarial Auditor Ms. Twinkle Pandey (ACS-49208). The Secretarial Auditor's Report for the financial year ended 31st March, 2019 is attached as **Annexure-A** and form part of this report. There are no qualifications or observations or remarks made by the Secretarial Auditor in their Audit Report.

SECRETARIAL STANDARD

The Company complies with all applicable Secretarial Standard.

FRAUD REPORTING

There was no fraud reported by Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or Board of Directors during the year under review.

MEETINGS OF THE BOARD AND ATTENDANCE

During the year under review 9 (Nine) Board Meetings were held on 30.05.2018, 13.08.2018, 29.09.2018, 01.10.2018, 13.11.2018, 19.11.2018, 30.11.2018, 07.01.2019 and 14.02.2019. The Meetings were held as per the requirements of business and at intervals within the legally permitted limits. The Boards meets once in every quarter, inter-alia, to review the quarterly results and other items on agenda:

Name of the Directors	Category of the Directors	No. of Board Meeting during the Year	No. of Board Meeting Attended
Mr. Kuldeep Kumar Sethia	Managing Director	9	9
Mrs. Shweta Sethia	Executive Director and CFO	9	9
Mr. Rajesh Shah	Independent Non-Executive Director	9	9
Mr. Mali Chand Agarwal	Independent Non-Executive Director	9	9
Mr. Manoj Sethia*	Non-Independent Non-Executive Director	9	7

*Appointed w.e.f. 29.09.2018

MEETINGS OF THE AUDIT COMMITTEE AND ATTENDANCE

During the year under review 4 (Four) meetings of the committee were held on 30.05.2018, 13.08.2018, 13.11.2018 and 14.02.2019. The attendance of the members at the meetings were as follows.

Name of the Members	Designation in the Committee	No. of Board Meeting during the Year	No. of Board Meeting Attended
Mr. Rajesh Shah	Chairperson	4	4
Mr. Mali Chand Agarwala	Member	4	4
Mr. Kuldeep Kumar Sethia	Member	4	4

MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE AND ATTENDANCE

During the year under review 1 (One) meeting of the committee were held on 07.01.2019. The attendance of the members at the meeting were as follows.

Name of the Members	Designation in the Committee	No. of Board Meeting during the Year	No. of Board Meeting Attended
Mr. Rajesh Shah	Chairperson	1	1
Mr. Mali Chand Agarwala	Member	1	1
Mr. Manoj Sethia	Member	1	1

MEETINGS OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE AND ATTENDANCE

During the year under review 1 (One) meeting of the committee were held on 28.03.2019. The attendance of the members at the meeting were as follows.

Name of the Members	Designation in the Committee	No. of Board Meeting during the Year	No. of Board Meeting Attended
Mr. Rajesh Shah	Chairperson	1	1
Mr. Mali Chand Agarwala	Member	1	1
Mr. Kuldeep Kumar Sethia	Member	1	1

CORPORATE GOVERNANCE

Corporate Governance Report is not applicable to the Company as the paid up share capital of the Company does not exceed Rs.10 Crores and the Net Worth of the company does not exceed Rs. 25 Crores as on the last day of the previous financial year i.e. 31st March, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provision of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the management discussion and analysis report for the year is presented, in a separate section forming part of the Annual Report.

LISTED WITH STOCK EXCHANGES

The Company's shares have been listed with the BSE Ltd. with Scrip Code 538895. The Company confirms that it has paid the annual listing fees for the year 2019-20 to BSE Ltd.

MATERIALS CHANGES AND COMMITMENTS

No material changes and commitments have occurred after the close of the financial year 2018-19 till the date of this Report, which affect the financial position of the Company.

INTERNAL FINANCIAL CONTROL

The Board has adopted policies and procedures 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 disclosure.

MANAGERIAL REMUNERATION

In terms of the provision of Section 197(12) of the Act read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or amendment thereof, if any, in respect of the managerial personnel of the company is attached here as **Annexure- B**.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no employees who are in receipt of remuneration in excess of the limit specified under section 134(3)(q) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

Your Company does not have any activity requiring conservation of energy or technology absorption and there was no foreign exchange earnings and/or foreign exchange outgo.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. Details of materially significant related party transactions that are the transactions of a material nature between the Company and the Promoters, Management, Directors or their relatives etc. are disclosed in the Note No.24 of the Financial Statements in compliance with the Accounting Standard relating to "Related Party Disclosures".

There are no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which may have a potential conflict with the interest of the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return of the Company as on the financial year ended 31st March, 2019 in Form No. MGT 9 is annexed to this report as **Annexure-C**. The Extract is also available on the website of the Company at www.mihika.co.in.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Loans, guarantees and investments or securities covered under Section 186 of the Companies Act, 2013 form part of the notes no.27 to the financial statements.

RISK MANAGEMENT POLICY

As required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a well documented and robust risk management framework.

The Audit Committee of the Board of Directors reviews the Risk Management Strategy of the Company to ensure effectiveness of the Risk Management policy and procedures. Board of Directors of the Company is regularly apprised on the key risk assessment areas and a mitigation mechanism is recommended.

During the year, the Board has reviewed the risk assessment and a risk minimization procedure commensurate to the risks has been adopted and is in place.

CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall in the category of Companies to where under section 135(1) is applicable. Hence Corporate Social Responsibility requirements are not applicable to Company.

VIGIL MECHANISM

In accordance with Section 177(9) and 177(10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a Vigil mechanism/Whistle Blower Policy. The policy is available at Company's website.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the criteria for the evaluation of the performance of Board of Directors, Independent Directors, Non-Independent Directors and the Chairman of the Board. Based on that performance evaluation

has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated to the Chairman of the Board of Directors. All Directors of the Board are familiar with the business of the Company.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy.

During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

APPRECIATION

Your Directors wish to place on record their appreciation for continued guidance and co-operation received from the various stakeholders including financial institutions and banks, regulators, governmental authorities and other business associates, who have extended their valuable support and encouragement during the year under review.

For and on behalf of the Board

Mali Chand Agarwal
Chairman
(DIN: 00772091)

Place: Kolkata

Date: 31st August, 2019

Annexure – A
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Mihika Industries Limited
3, Bentinck Street, 2nd Floor
Kolkata -700001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Mihika Industries 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 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 and as per the explanations given to us and the representations made by the Management, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - The Company has appointed M/s ABS Consultant Pvt. Ltd. as Registrar and Transfer Agent;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period);

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-(Not applicable to the Company during the Audit Period); and
- (j) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- (not applicable to the Company).

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Ltd. (BSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As informed by the management, there are no specific laws applicable to the company. During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

- (1) having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with the laws applicable to the company.
- (2) compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
- (3) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (4) adequate notice is given to all directors to schedule the Board Meeting's 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.
- (5) all decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- (6) as per the explanations given to us and the representations made by the Management and relied upon by us 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.
- (7) during the year under report, there was no other event/action having major bearing on Company's affairs.

For TP & Associates

Twinkle Pandey

Proprietor

(Company Secretary in Practice)

ACS No.: 49208

C.P. No :22187

Place: Kolkata

Date : 30th May, 2019

NOTE-This report is to be read out with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

Annexure-I
(TO THE SECRETARIAL AUDIT REPORT OF
MIHIKA INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019)

To,
The Members,
Mihika Industries Limited
3, Bentinck Street, 2nd Floor
Kolkata -700001

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 test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices. We followed a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities 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 the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For TP & Associates

Twinkle Pandey
Proprietor
(Company Secretary in Practice)
ACS No.: 49208
C.P. No :22187

Place: Kolkata
Date : 30th May, 2019

ANNEXURE – B
MANAGERIAL REMUNERATION

1) REMUNERATION PAID TO DIRECTORS

SL	NAME OF THE DIRECTOR	TITLE	REMUNERATION IN F.Y 2018-19(RS)	REMUNERATION IN F.Y 2017-18(RS)	% INCREASE OF REMUNERATION IN 18-19 AGAINST 17-18	RATIO OF REMUNERATION OF EACH DIRECTOR TO MRE FOR THE YEAR 2018-19 (NOTE-1)	RATIO OF REMUNERATION TO REVENUES IN 2019 (Note - 1)
1	Mr. Kuldeep Kumar Sethia	Managing Director	6,00,000	6,00,000	0.00	2.50	0.02
2	Mr. Manoj Sethia*	Non-Executive Director	NIL	NIL	NIL	NIL	NIL
3.	Mr. Mali Chand Agarwala	Independent Director	NIL	NIL	NIL	NIL	NIL
4.	Mr. Rajesh Shah	Independent Director	NIL	NIL	NIL	NIL	NIL
5.	Mrs. Shweta Sethia	Executive Director	3,00,000	3,00,000	0.00	1.25	0.01

* Appointed with effect from 29th September, 2018.

2) REMUNERATION PAID TO KEY MANAGERIAL PERSONNEL

SL	NAME OF THE DIRECTOR	DESIGNATION	REMUNERATION IN F.Y 2018-19(RS)	REMUNERATION IN F.Y 2017-18(RS)	% INCREASE OF REMUNERATION IN 18-19 AGAINST 17-18	RATIO OF REMUNERATION TO MRE (Note - 1)	RATIO OF REMUNERATION TO REVENUES IN 2019 (Note - 1)
1.	Mr. Satish Kumar Thakur*	Company Secretary	99,289**	2,10,000	-37%	0.41	0.00

*Resigned w.e.f. 07.01.2019

** Remuneration for the year 2018-19 is of nine months.

NOTES :

1. Calculation based on annualized salary.
2. No remuneration is paid to any Non Executive Director during the period.
 - a. Percentage increase in the MRE in the financial year 2018-19 is 0.00% compared to the 2017-18 and average remuneration of employees increased by 6.20%.
 - b. Average remuneration of the employees excluding Key Managerial Personnel decreased by 5.22 % and average remuneration of Key Managerial Personnel decreased by -9.97 %.
 - c. The number of permanent employees in the rolls of the company as on 31.03.2019 and 31.03.2018 were 9 and 8 respectively.
 - d. The remuneration is paid as per Remuneration policy of the Company.
 - e. During the Financial year 2018-19 no employee received remuneration in excess of that paid to Managing Director.

ANNEXURE-C
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L70101WB1983PLC035638
2.	Registration Date	05-01-1983
3.	Name of the Company	Mihika Industries Limited
4.	Category/Sub-category of the Company	Public Limited
5.	Address of the Registered office & contact details	3, Bentinck Street, 2 nd Floor Kolkata – 700001 Telephone : (033) 22100875 e-mail : mihikaindustries@gmail.com Website : www.mihika.co.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	ABS Consultant Pvt. Ltd. Room No. 99, 6th Floor Stephen House 4, B.B.D. Bag (East), Kolkata-700001 Telephone : (033) 2230 1043, 2243 0153 E-mail : absconsultant@vsnl.net

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Wholesale trade of Raw Jute	46695	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01/04/2018]				No. of Shares held at the end of the year[As on 31/03/2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2175	0.00	2175	0.02	2175	0.00	2175	0.02	0.00

b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	2400000	0.00	2400000	24.00	2400000	0.00	2400000	24.00	0.00
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total(A)(1)	2402175	0.00	2402175	24.02	2402175	0.00	2402175	24.02	0.00
(2) Foreign									
a) NRI-Individual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Other Individual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total(A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoter & Promoter Group(A) (A)(1)+(2) =	2402175	0.00	2402175	24.02	2402175	0.00	2402175	24.02	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Funds									
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(1):-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0.00	3123930	3123930	31.24	0.00	6334975	6334975	63.35	32.11
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	110	237845	237955	2.38	110	2800	2910	0.03	-2.35
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	587940	3648000	4235940	42.36	587940	672000	1259940	12.60	-29.76
c) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(2):-	588050	7009775	7597825	75.98	588050	7009775	7597825	75.98	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	588050	7009775	7597825	75.98	588050	7009775	7597825	75.98	0.00
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	2990225	7009775	10000000	100	2990225	7009775	10000000	100	0.00

(ii) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Pledged / encumbered to total shares	
1	Jain Commodity Broking Pvt. Ltd.	2400000	24.00	0.00	2400000	24.00	0.00	0.00
2	Mr. Kuldeep Kumar Sethia	2175	0.02	0.00	2175	0.02	0.00	0.00

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01.04.2018	2402175	24.02	2402175	24.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year 31.03.2019	2402175	24.02	2402175	24.02

There is no Change in Promoters' Shareholding for financial year 01.04.2018 to 31.03.2019:

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of Shareholders	Shareholding at the beginning of the year (01-04-2018) end of the year(31.03.2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Pushpak Dealmark Pvt. Ltd.	49000 101430	0.49 1.01	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	101430	1.01
2	Dhanlakshmi Tracom Pvt. Ltd.	98000 100660	0.98 1.01	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100660	1.01
3.	Dastak Vincom Pvt. Ltd.	98000 100500	0.98 1.01	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100500	1.01

4	Mangaldham Dealers Pvt. Ltd.	98000 100500	0.98 1.01	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100500	1.01
5	Deepraj Trading Pvt. Ltd.	98000 100400	0.98 1.00	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100400	1.00
6	Aristo Dealmark Pvt. Ltd.	98000 100300	0.98 1.00	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100300	1.00
7	Dreamland Commoddeal Pvt. Ltd	98000 100260	0.98 1.00	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100260	1.00
8	Helios Vincom Pvt. Ltd.	98000 100225	0.98 1.00	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100225	1.00
9	Chitrkala Vincom Pvt. Ltd.	98000 100200	0.98 1.00	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100200	1.00
10	Amardeep Vincom Pvt. Ltd.	98000 100125	0.98 1.00	01-04-2018 28-03-2019 31-03-2019	Increase	Transfer	100125	1.00

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 01.04.2018 Mr. Kuldeep Kumar Sethia	2175	0.02	2175	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year 31.03.2019 Mr. Kuldeep Kumar Sethia	2175	0.02	2175	0.02

V. INDEBTEDNESS

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

	Secured deposits	Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2018	NIL				
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)					
Change in Indebtedness during the financial year					
* Addition					
* Reduction					
Net Change					
Indebtedness at the end of the financial year 31.03.2019					
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)					

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Kuldeep Kumar Sethia Managing Director	Mrs. Shweta Sethia Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	3,00,000	9,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	6,00,000	3,00,000	9,00,000
	Ceiling as per the Act	NIL		NIL

B. Remuneration to Other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount													
		Mr. Mali Agarwala	Chand	Mr. Rajesh Shah	Mr. Manoj Sethia																
1	Independent Directors	/																			
	Fee for attending board committee meetings																				
	Commission																				
	Others, please specify																				
	Total (1)																				
2	Other Non-Executive Directors								/												
	Fee for attending board committee meetings																				
	Commission																				
	Others, please specify																				
	Total (2)															NIL					
	Total (B)=(1+2)															NIL					
	Total Managerial Remuneration	NIL																			
	Overall Ceiling as per the Act	NIL																			

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

SN	Particulars of Remuneration	Key Managerial Personnel
		*Satish Kumar Thakur Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99,289
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission	NIL
	- as % of profit	NIL
	others, specify...	NIL
5	Others, please specify	NIL
	Total	99,289

* Resigned w.e.f. 07.01.2019

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report has to be read in conjunction with the Company's financial statements, covering overall performance and outlook of its activities which read as follows-

TRADE STRUCTURE AND DEVELOPMENT

The jute industries has seen significant increase in investments in the recent past due to need for improved efficiencies and economies of scale in the face of increasing labour costs and competition from dumped exports from Bangladesh. Recent developments are going on mainly in Non-women/Composite areas. Movement towards jute-based consumer goods aided by increasing environmental awareness and lifestyle changes is quite perceptible.

OPPORTUNITIES

There is rising awareness about disposal issues leading to high total cost of using synthetic; here lies the opportunity to offer jute consumer products including jute bags as a mass consumption product. Acceptance of jute products are increasing due to its biodegradability as well as eco-friendly nature.

Jute's versatile applications have been already started for lifestyle and promotional bags, decorative, apparels, composites, upholstery furnishings, and also non-wovens for both technical and non-technical purpose. Number of Research & Developments are going on in these fields. The industry would do well to take advantage of such various developments.

Usage of eco-friendly jute sacs for packaging foodgrains under JPM Act1, 1987 is in sync with the government adopted UN sustainability goals of alleviating poverty, zero hunger, responsible consumption/production and climate change. Hence, continued compulsory jute packaging for foodgrains is likely to be an environmental necessity as well in times to come.

THREATS/RISKS AND CONCERNS

Following are the major areas of risks and concerns:

- (a) Conversion cost such as Wages, Power, Insurance etc. have been increased to a large extent resulting in higher cost of production.
- (b) Abnormal absenteeism causing a serious loss of production with respect to capacity utilisation which is indirectly increasing conversion cost also. Despite of increase in minimum wages from Rs.257/- to Rs.370/- per month and average ` 2/- per day per worker. There is no change in scenario of absenteeism.
- (c) Due to large difference of wage structure in comparison to Bangladesh, we have lost overseas market drastically.
- (d) Seasonal shortages of labour due to adhoc absenteeism, change in new migrant labour availability patterns, shortage of skilled labour and union activism further add to high manpower costs.
- (e) Attempt made for artificially lowering/capping the price being paid for sacking supplied by the industry for Packaging foodgrains to various government agencies is an area of concern.
- (f) Despite its eco-friendly nature and ability to withstand multiple use, jute industry is forced to plead its case each year for extension of JPM Act, 1987.
- (g) There is an urgent need for organised training facilities for attracting new workers to the industry at an early age.
- (h) Unbridled increase in wage costs without linkage to productivity in the face of competition from Bangladeshi jute Products produced with cheap de-unionised labour and dumped into India.
- (i) As an agricultural product, Jute is at the mercy of the vagaries of weather.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company operates primarily in one business segment viz. trading of Raw Jute activities in India and accordingly this is the only Single Reportable Segment.

OUTLOOK

Good agricultural production in India (almost 20% higher than last year) is expected to further boost demand for jute products in the medium term. With increased focus on increased farmer income and assurance of a remunerative Minimum Support Price, demand for packaging products would sustain. Continuous increase in Jute prices from Q1 to Q3

during Financial Year 2018-19 was not favourable for the industry in face of competition from other natural fibres. However, the price of Jute had reduced in Q4.

It is seen that jute-based consumer products are gaining increasing acceptance. With the increasing aversion to plastic bags owing to pollution threats, increased usage of jute products can be expected.

The Company endeavors to be an important player in the field of Raw Jute trade. There is good prospect of expanding business in this trade.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported properly.

The Internal Auditors are mandated to carry out periodical audit and report on areas of non-compliances/weaknesses. Corrective actions in case of reported deficiencies, if any, are taken actively to further strengthen the internal control systems. These reports are reviewed by the Audit Committee of the Board of Directors for follow-up action and instructions are issued for taking necessary measures.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial and operational performances are separately elaborated in the Directors' Report.

DEVELOPMENT IN HUMAN RESOURCES

Since development in human resource is needed for the organization's growth and to maintain its sustainability in the long run. The Company has continued its endeavor in maintaining peace and harmony at all levels of employment in the organization in the year under review.

CAUTIONARY STATEMENT

The Statement in the Managements' Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations and tax regime, economic developments within India and abroad, financial markets etc. The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015. The management of the Company has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect true and fair picture, the state of affairs and profit for the year. The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the Annual Report.

For and on behalf of the Board

Mali Chand Agarwal

Chairman
DIN:00772091

Place: Kolkata

Date: 31st August, 2019

CODE OF CONDUCT DECLARATION

[Regulation 26(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

Mihika Industries Limited

(CIN: L70101WB1983PLC035638)

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct for the financial year ended 31st March, 2019.

For and on behalf of the Board

Kuldeep Kumar Sethia

Managing Director

DIN:00325632

Place: Kolkata

Date: 31st August, 2019

INDEPENDENT AUDITORS' REPORT

**The Members,
Mihika Industries Limited,**

Report on the Standalone Financial Statements

Opinion

We have audited accompanying standalone financial statements of **MIHIKA INDUSTRIES LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2019.
- ii) In the case of the Statement of Profit and Loss of the loss for the year ended on that date.
- iii) In the case of the Statement of Cash Flows for the year ended on that date.
- iv) In the case of the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirement that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

our knowledge obtained during the course of our audit or otherwise appears to be materially misstated if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

“We have nothing to report in this regard.”

Management’s Responsibility for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the standalone Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 on the basis of these financial results.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company’s Directors, as well as evaluating the overall presentation of the financial statements.

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

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

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure ('**Annexure A**') a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purposes of our audit.

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16):
In our opinion and according to the information and explanations give to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/provided to any director is not in excess of the limit laid down under section 197of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For J GUPTA & CO LLP
Chartered Accountants
Firm Registration Number: 314010E/E300029
LLP NO. : AAM-2652

Nancy Murarka
Partner
Membership No: 067953

Place: Kolkata
Date: 30th May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MIHIKA INDUSTRIES LIMITED

Referred to in Paragraph 1 under section "Report on Other Legal and Regulatory Requirements", of our report of even date

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets
(b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification;
(c) The company does not possess any immovable property and hence this clause is not applicable.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. As per information and explanations given to us, the company has not granted loans to Company, Firm, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraph 3(iii)(a) to (c) of the order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly paragraph 3(vi) of the Order is not applicable to the Company.
7. (a) According to the information given to us and on the basis of our examination of the books of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) On the basis of the information and explanations given to us, there are no material dues with respect to income tax or sales tax or service tax or duty of customs or duty of excise or value added tax pending with appropriate authorities on account of any dispute..

8. The Company has not availed any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the company.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is *not a Nidhi company*. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
13. In our opinion and according to information and explanations given to us, the company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and details of related party transactions have been disclosed in the Financial Statements as required by applicable Accounting Standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J GUPTA & CO LLP
Chartered Accountants
Firm Registration Number: 314010E/E300029
LLP NO. : AAM-2652

Nancy Murarka
Partner
Membership No: 067953

Place: Kolkata
Date: 30th May 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MIHIKA INDUSTRIES LIMITED

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 **Mihika Industries Limited ("the Company")** as of 31st March, 2019 in conjunction with our audit of the 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 J GUPTA & CO LLP

Chartered Accountants

Firm Registration Number: 314010E/E300029

LLP NO. : AAM-2652

Nancy Murarka

Partner

Membership No: 067953

Place: Kolkata

Date: 30th May 2019

Balance Sheet as at March 31, 2019

(Rs. in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non-current Assets			
(a) Property, plant and equipment	4	0.33	0.82
(b) Financial assets			
(i) Investments	5	80.60	93.11
(c) Deferred tax assets (net)	6	13.54	3.98
(d) Other non-current assets	7	3.42	3.42
Total Non-current Assets		97.89	101.33
2 Current Assets			
(a) Financial assets			
(i) Cash and cash equivalents	8	55.32	159.08
(ii) Loans	9	2,131.05	2,011.35
(b) Current tax assets (net)	10	22.72	20.10
(c) Other current assets	11	122.44	172.72
Total Current Assets		2,331.53	2,363.25
TOTAL ASSETS		2,429.42	2,464.58
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	12A	1,000.00	1,000.00
(b) Other equity	12B	1,429.27	1,464.24
Total Equity		2,429.27	2,464.24
2 Current Liabilities			
(a) Other current liabilities	13	0.15	0.34
Total Current liabilities		0.15	0.34
TOTAL EQUITY AND LIABILITIES		2,429.42	2,464.58

See accompanying notes to the financial statements 1 - 33

As per our attached report of even date

For J Gupta & Co LLP

Chartered Accountants

Firm Registration No.: 314010E/E300029

LLP NO. : AAM-2652

For and on behalf of the Board of Directors

Rajesh Shah

Director (DIN:06746791)

Kuldeep Kumar Sethia

Managing Director

(DIN: 00325632)

Nancy Murarka

Partner

Membership No.: 067953

Malichand Agarwala

Director (DIN: 00772091)

Shweta Sethia

Executive Director and

Chief Financial Officer

(DIN: 01111566)

Place: **Kolkata**

Date: **May 30, 2019**

Manoj Sethia

Director (DIN: 00585491)

Statement of Profit and Loss for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	14	177.26	182.71
II Other income	15	121.14	130.49
III Total income		298.40	313.20
IV Expenses			
(a) Purchase of stock-in-trade	16	180.75	191.24
(b) Employee benefits expense	17	44.72	44.80
(c) Depreciation and amortisation expense	18	0.62	0.61
(d) Other expenses	19	116.83	89.78
Total expenses		342.92	326.42
V Profit/ (Loss) before tax (III-IV)		(44.52)	(13.22)
VI Tax expense	20	(9.55)	(3.82)
VII Profit/ (Loss) for the year (V-VI)		(34.97)	(9.41)
VIII Other comprehensive income for the year		-	-
IX Total comprehensive income for the year (VII+VIII)		(34.97)	(9.41)
X Earnings per equity share of Rs. 10 each	21		
Basic (Rs.)		(0.35)	(0.09)
Diluted (Rs.)		(0.35)	(0.09)

See accompanying notes to the financial statements

1 - 33

As per our attached report of even date

For J Gupta & Co LLP

Chartered Accountants

Firm Registration No.: 314010E/E300029

LLP NO. : AAM-2652

For and on behalf of the Board of Directors

Rajesh Shah

Director (DIN:06746791)

Kuldeep Kumar Sethia

Managing Director
(DIN: 00325632)

Nancy Murarka

Partner

Membership No.: 067953

Malichand Agarwala

Director (DIN: 00772091)

Shweta Sethia

Executive Director and
Chief Financial Officer
(DIN: 01111566)

Place: Kolkata

Date: May 30, 2019

Manoj Sethia

Director (DIN: 00585491)

Statement of Cash Flows for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	(44.52)	(13.22)
Adjusted for:		
(a) Depreciation and amortisation expense	0.62	0.61
(b) (Profit)/ Loss on sale investments	16.67	(4.39)
(c) Interest on Loan	(138.22)	(155.05)
(d) Net (gain) / loss fair valuation of investments through profit and loss	1.14	29.71
(e) Dividend received	-	(0.03)
	<u>(119.79)</u>	<u>(129.14)</u>
Operating profit before working capital changes	<u>(164.31)</u>	<u>(142.36)</u>
Adjustment for:		
(a) Loans & Advances	(122.32)	248.84
(b) Trade Receivables	-	19.75
(c) Other Current Assets	50.27	(53.55)
(d) Other Current Liabilities	(0.19)	0.20
	<u>(72.24)</u>	<u>215.24</u>
Cash generated from operations	<u>(236.55)</u>	<u>72.88</u>
Direct taxes paid (net)	-	3.14
NET CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	<u>(236.55)</u>	<u>69.74</u>
II CASH FLOW FROM INVESTING ACTIVITIES		
(a) Purchase of property, plant and equipment	(0.13)	-
(b) Sales of Investments	113.57	68.80
(c) Purchase of investments	(118.87)	(144.70)
(d) Interest on loan	138.22	155.05
(e) Dividend received	-	0.03
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>132.79</u>	<u>79.17</u>
III CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)	(103.76)	148.92
CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR	159.08	10.16
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	<u>55.32</u>	<u>159.08</u>
(Refer Note No. 8)		

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

See accompanying notes to the financial statements 1 - 33

As per our attached report of even date

For J Gupta & Co LLP

Chartered Accountants

Firm Registration No.: 314010E/E300029

LLP NO. : AAM-2652

Nancy Murarka

Partner

Membership No.: 067953

For and on behalf of the Board of Directors

Rajesh Shah

Director (DIN:06746791)

Kuldeep Kumar Sethia

Managing Director
(DIN: 00325632)

Shweta Sethia

Executive Director and

Chief Financial Officer
(DIN: 01111566)

Malichand Agarwala

Director (DIN: 00772091)

Manoj Sethia

Director (DIN: 00585491)

Place: Kolkata

Date: May 30, 2019

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(Rs. in Lakhs)

Balance as at April 01, 2017	1,000.00
Changes in equity share capital during the year	-
Balance as at March 31, 2018	1,000.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	1,000.00

B. Other equity

(Rs. in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 01, 2017	1,463.99	4.85	4.81	-	1,473.65
Profit/ (Loss) for the year	-	-	(9.41)	-	(9.41)
Other comprehensive income for the year	-	-	-	-	-
Balance as at March 31, 2018	1,463.99	4.85	(4.60)	-	1,464.24

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 01, 2018	1,463.99	4.85	(4.60)	-	1,464.24
Profit/ (Loss) for the year	-	-	(34.97)	-	(34.97)
Other comprehensive income for the year	-	-	-	-	-
Balance as at March 31, 2019	1,463.99	4.85	(39.57)	-	1,429.27

(For nature and purpose of Reserves, refer note no. 12B)

See accompanying notes to the financial statements 1 - 33

As per our attached report of even date

For J. Gupta & Co.

Chartered Accountants
Firm Registration No.: 314010E
LLP NO. : AAM-2652

For and on behalf of the Board of Directors

Rajesh Shah
Director (DIN:06746791)

Kuldeep Kumar Sethia
Managing Director
(DIN: 00325632)

Nancy Murarka

Partner
Membership No.: 067953

Malichand Agarwala
Director (DIN: 00772091)

Shweta Sethia
Executive Director and
Chief Financial Officer
(DIN: 01111566)

Place: Kolkata
Date: May 30, 2019

Manoj Sethia
Director (DIN: 00585491)

Notes to the Financial Statements for the year ended March 31, 2019

Note No. 1 - Corporate Information

Mihika Industries Limited (the Company), is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Ltd. in India. The registered office of the Company is located at 3, Bentinck Street, 2nd Floor, Kolkata – 700 001.

The Company is engaged in the business of trading in commodities.

Note No. 2 - Basis of Preparation

(i) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as under the companies (Indian Accounting Standards) Rules, 2015 read with companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest rupees, unless otherwise indicated.

(iii) Historical cost convention

The financial statements have been prepared following accrual basis of accounting on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

(iv) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in Schedule III to the Companies Act, 2013.

Note No. 3 - Significant Accounting Policies

(i) Use of Estimates & Judgements

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reported amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

Estimation of current tax expenses and payable (Refer note no. 26)

(ii) Property, plant and equipment (PPE)

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management.

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that is 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the cost of an item of PPE. Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(iii) Financial Instruments

Financial assets - Initial recognition:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit & loss (FVTPL)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial assets.

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

(a) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Measured at fair value through other comprehensive income (FVTOCI):

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

(c) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Impairment

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For financial assets measured at FVTPL, there is no requirement of impairment testing.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

There are NIL financial liabilities during the period covered in these financial statements.

Subsequent measurement

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

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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.

No financial assets and/or financial liabilities have been subject to offsetting.

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 lowest level 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
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

(iv) Inventory

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

(v) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current Tax

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised 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. Deferred tax asset is also recognised in respect of carried forward tax losses and unused tax credits.

Deferred Tax assets are recognised to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences, carried forward tax losses and unused tax credits.

Deferred Tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternative Tax

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

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

(vi) Revenue Recognition

a) Sale of Stock-in-Trade

The Company derives revenues primarily from trading in commodities. Effective April 01, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 01, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets/ liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date. For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

b) Interest

Interest is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

c) Dividend

Dividend on shares & securities is recognised on receipt basis.

(vii) Employee Benefits

Contribution of Provident Fund, Gratuity and Leave encashment benefits wherever applicable is being accounted on actual liability basis as and when arises. However, the above referred provisions are not applicable to the company as it does not fall within the purview of the same in the year under review.

(viii) Provision and Contingent Liabilities

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

(ix) Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

Notes to the Financial Statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note No. 4 - Property, plant and equipment		
<u>Computers</u>		
I Gross carrying value		
Balance at the beginning of the year	1.71	1.71
Additions/ (Disposals)	0.13	-
Balance at the end of the year	1.84	1.71
II Accumulated Depreciation		
Balance at the beginning of the year	0.89	0.28
Depreciation for the year	0.62	0.61
Balance at the end of the year	1.51	0.89
III Net carrying value at the end of the year (I-II)	0.33	0.82

Notes to the Financial Statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Face Value	As at March 31, 2019		As at March 31, 2018	
		No. of Shares	Amount	No. of Shares	Amount
Note No. 5 - Financial Assets: Investments					
Non-current					
I Investments in equity instruments carried at FVTPL					
Quoted					
(i) Matra Koushal Enterprise Ltd.	1/-	8,000	0.17	8,000	0.19
(ii) Rajlaxmi Industries Ltd.	1/-	30,000	0.86	30,000	0.86
(iii) Sam Leasco Ltd.	1/-	22,000	2.83	22,000	2.83
(iv) Balrampur Chini Mills Ltd.	1/-	-	-	6,851	5.18
(v) Electrosteel Steels Ltd.	10/-	-	-	15,00,000	36.00
(vi) Pennar Industries Ltd.	5/-	-	-	50,000	25.18
(vii) Tata Motors Ltd.	2/-	-	-	7,000	22.88
(viii) The Orissa Minerals Development Co. Ltd.	1/-	200	1.75	-	-
Unquoted					
(i) Scorpio Dealmark Pvt Ltd	10/-	7,500	75.00	-	-
Total investments			80.60		93.11
Aggregate market value of quoted investments			5.60		93.11

Notes to the Financial Statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note No. 6 - Deferred tax assets (net)		
(a) Deferred tax assets		
Carried forward losses	6.84	-
Fair Value of Investments	6.70	4.05
	13.54	4.05
(b) Deferred tax liabilities		
Timing difference on depreciable assets	0.00	0.07
	0.00	0.07
Total deferred tax assets (net) (a-b)	13.54	3.98
Note No. 7 - Non-current assets (net)		
MAT Credit Entitlement	3.42	3.42
Total non - current assets	3.42	3.42
Note No. 8 - Cash and cash equivalents		
(i) Balances with banks		
in current accounts	25.07	99.81
(ii) Cheques on hand	19.89	58.76
(iii) Cash on hand	10.36	0.51
Total cash and cash equivalents	55.32	159.08
Note No. 9 - Loans		
Loans to others		
Unsecured, considered good	2,131.05	2,011.35
Total loans	2,131.05	2,011.35
Note No. 10 - Current tax assets (net)		
Income tax refundable	11.36	9.08
TDS for the year	11.36	14.16
Less: Provision for taxation	-	(3.14)
Total current tax assets (net)	22.72	20.10
Note No. 11 - Other current assets		
Interest accrued and due	122.44	172.72
Total other current assets	122.44	172.72

Notes to the Financial Statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note No. 12A - Equity share capital		
Authorised:		
10000000 Equity Shares of Rs.10/- each	1,000	1,000
Issued, Subscribed & Fully Paid		
10000000 Equity Shares of Rs.10/- each	1,000	1,000
Total subscribed and fully paid up Equity share capital	1,000	1,000

(a) **Reconciliation of the number of shares outstanding at the beginning and end of the year:**

Particulars	No. of Shares	No. of Shares
Balance as at the beginning and end of the year	10000000	10000000

(b) **Terms & Rights attached to equity shares :**

The Company has issued one class of equity shares having a face value of Rs. 10 per share. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

(c) **Details of shareholding more than 5%:**

Particulars	No. of Shares	% Shares	No. of Shares	% Shares
Jain Commodity Broking Pvt. Ltd.	2400000	24%	2400000	24%

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note No. 12B - Other Equity		
Other equity consist of the following:		
a) Securities Premium		
Opening Balance	1,463.99	1,463.99
Changes during the year	-	-
	1,463.99	1,463.99
b) General Reserve		
Opening Balance	4.85	4.85
Changes during the year	-	-
	4.85	4.85
c) Retained Earnings		
Opening Balance	(4.60)	4.81
Changes during the year	(34.97)	(9.41)
	(39.57)	(4.60)
Total Other Equity	1,429.27	1,464.24

Notes to the Financial Statements for the year ended March 31, 2019

Nature and purpose of Reserves

a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

b) General Reserve

This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

c) Retained Earnings

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Particulars	For the year ended	For the year ended
Note No. 13 - Other current liabilities		
Other payables	0.15	0.34
Total other current liabilities	0.15	0.34

Notes to the Financial Statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note No. 14 - Revenue from operations		
Sale of stock-in-trade	177.26	182.71
Total revenue from operations	177.26	182.71
Note No. 15 - Other income		
(i) Interest	138.22	155.05
(ii) Dividend	-	0.03
(iii) Interest on tax free bonds	-	0.75
(iv) Profit/ (Loss) on Sale of Investments	(16.67)	4.39
(v) Net gain/ (loss) on fair valuation of investments through profit & loss	(1.14)	(29.71)
(vi) Interest on IT Refund	0.58	-
(vii) Bad Debts recovered	0.14	-
Total other income	121.14	130.49
Note No. 16 - Purchases of stock-in-trade		
Purchases of stock-in-trade	180.75	191.24
Total purchases of stock-in-trade	180.75	191.24
Note No. 17 - Employee benefits expense		
Salary	38.41	37.71
Staff Welfare	6.31	7.09
Total employee benefits expense	44.72	44.80
Note No. 18 - Depreciation and amortization expense		
Depreciation on property, plant and equipment	0.62	0.61
Total depreciation and amortization expense	0.62	0.61

Notes to the Financial Statements for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note No. 19 - Other expenses		
Advertisement and publicity	3.08	3.20
Auditors' Remuneration		
For Statutory Audit	0.12	0.12
For Tax Audit	0.03	0.03
For Others	0.05	0.05
Books & Periodicals	3.91	4.02
Conveyance	5.75	6.98
Debts written off	49.64	19.75
Depository & RTA charges	0.48	1.07
Fees To stock exchanges	2.95	2.88
Office maintenance	7.61	7.98
General expenses	14.01	14.27
Postage & courier	3.37	3.26
Printing & stationery	4.09	4.39
Professional charges	2.53	2.50
Rent, rates & taxes	1.85	1.85
Telephone expenses	2.76	2.69
Travelling expenses	3.63	3.50
Miscellaneous Expenses	10.97	11.25
Total other expenses	116.83	89.78
Note No. 20 - Tax expenses		
Current tax	-	3.14
Deferred tax	(9.55)	(6.95)
Total tax expenses	(9.55)	(3.82)
[including MAT credit Entitlement NIL for the year ended March 31, 2019 (Rs. 3.41 Lakhs for the year ended March 31, 2018.)]		
Note No. 21 - Earning per share		
Net profit after taxation as disclosed in the Statement of Profit & Loss	(34.97)	(9.41)
Weighted average number of equity shares outstanding during the year	100,00,000	100,00,000
Earnings per share (EPS) (Rs.)	(0.35)	(0.09)
Nominal value per equity share	10	10

Notes to the Financial Statements for the year ended March 31, 2019

Note No. 22 - Operating Segments

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Trading of Merchandise and that all of the operations are in India. Hence the Company does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Note No. 23 - Capital management & Risk Management Strategies:

(i) Capital Management

The Company's objective when managing capital are to

1. safeguard the ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits of other stakeholders, and
2. maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company does not owe any debt.

(ii) Risk Management Strategies

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

Note No. 24 - Related party disclosures

A. List of related parties

Key Management Personnel

1. Mr. Kuldeep Kumar Sethia - Managing Director
2. Mr. Satish Kumar Thakur - Company Secretary and Compliance Officer (resigned w.e.f. 07.01.2019)
3. Mrs. Shweta Sethia - Chief Financial Officer

B. The remuneration to key managerial personnel during the year was as follows:

(Rs. in Lakhs)

	As at March 31, 2019	As at March 31, 2018
1. Managing Director	6.00	6.00
2. Company Secretary and Compliance Officer	0.99	2.10
3. Chief Financial Officer	3.00	3.00

Note: All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Notes to the Financial Statements for the year ended March 31, 2019

Note No. 25 - Disclosure under MSMED Act, 2006

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Principal amount outstanding	NIL	NIL
(b) Principal amount due and remaining unpaid	NIL	NIL
(c) Interest due on (2) above and the unpaid interest	NIL	NIL
(d) Interest paid on all delayed payments under the MSMED Act	NIL	NIL
(e) Payment made beyond the appointed day during the year	NIL	NIL
(f) Interest due and payable for the period of delay other than (4) above	NIL	NIL
(g) Interest accrued and remaining unpaid	NIL	NIL
(h) Amount of further interest remaining due and payable in succeeding years	NIL	NIL

Note No. 26 - Income Taxes

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit /(loss) before taxation	(44.52)	(13.22)
Enacted income tax rate in India	26.00%	25.75%
Tax at the enacted income tax rate	(11.58)	(3.40)
Effect of income that is exempted	-	(1.19)
Effect of Income which is taxed at special rate	4.46	(0.05)
MAT Credit entitlement	-	0.69
MAT Credit entitlement for earlier year	-	(2.72)
Non recognition of deferred tax on unabsorbed depreciation, brought forward losses and other timing differences	(2.65)	3.98
Origination and reversal of temporary differences	0.22	(1.12)
Tax expense/ (credit)	(9.55)	(3.82)

	As at 1st April, 2017	Credit/ (charge) in Statement of profit and loss	As at 31st March, 2018	Credit/ (charge) in Statement of profit and loss	As at 31st March, 2019
Deferred tax assets/(liabilities)					
Property, plant and equipment	(0.16)	0.09	(0.07)	0.07	-
Expenses allowed on payment basis	0.53	(0.53)	-	-	-
Fair valuation gains/ (losses)	0.08	3.97	4.05	9.49	13.54
	0.45	3.53	3.98	9.55	13.54

Note No. 27

Disclosure u/s 186(4) of the Companies Act, 2013 regarding Loans given, Investment made or Guarantees given or Securities provided

a) Loans given

Particulars	(Rs. in Lakhs)	
	2018-19	2017-18
Subsidiary/Associates	NIL	NIL
Inter Corporate Deposits/Others	2,131.05	2,011.35

Notes to the Financial Statements for the year ended March 31, 2019

Notes:

(i) All loans are given to unrelated corporate entities/ others at interest rates above the prevailing yield for Government Securities for one year .

(ii) All loans are short term in nature.

(iii) All the loans are provided for business purpose of respective entities, repayable on demand with prepayment option to the

b) Investment made

There are no investments by the Company other than those stated under Note No. 5 in the Financial Statements.

c) Guarantees Given

There are no guarantees given during the year.

d) Securities Provided

There are no securities provided during the year.

Note No. 28 - Financial Instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

As at 31st March, 2018

(Rs. in Lakhs)

	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Financial Assets					
Investments	-	93.11	-	93.11	93.11
Cash and cash equivalents	-	-	159.08	159.08	159.08
Loans	-	-	2,011.35	2,011.35	2,011.35
	-	93.11	2,170.43	2,263.54	2,263.54
Financial Liabilities	-	-	-	-	-

As at 31st March, 2019

	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying
Financial Assets					
Investments	-	80.60	-	80.60	80.60
Cash and cash equivalents	-	-	55.32	55.32	55.32
Loans	-	-	2,131.05	2,131.05	2,131.05
	-	80.60	2,186.37	2,266.97	2,266.97
Financial Liabilities	-	-	-	-	-

Notes to the Financial Statements for the year ended March 31, 2019

Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

	(Rs. In Lakhs)		
	Level 1	Level 2	Level 3
31st March, 2018			
Financial Assets			
Non Current Assets			
Investments	93.11	-	-
Current Assets			
Loans	-	-	2,011.35
Cash and cash equivalents	-	-	159.08
31st March, 2019			
Financial Assets			
Non Current Assets			
Investments	5.60	-	75.00
Current Assets			
Loans	-	-	2,131.05
Cash and cash equivalents	-	-	55.32

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the years.

Note No. 29 - Financial Risk Factors

The Company's activities exposes it to Liquidity Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below:

(a) Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents and other financial instruments.

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Notes to the Financial Statements for the year ended March 31, 2019

Trade and other receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

Note No. 30 - Capital Risk Management

(a) Capital Management

The Company's objectives when managing capital are to :

- (i) 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
 - (ii) maintain an optimal capital structure to reduce the cost of capital
- The Company does not owe any debt.

(b) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy. The Company has not proposed/declared dividend for current financial year as well as in the previous financial year.

Note No. 31 - Recent accounting pronouncements

(I) Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the standalone financial statements. Hence, the effect due to this amendment would be insignificant in the financial statements.

Notes to the Financial Statements for the year ended March 31, 2019

(ii) Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. Hence, the effect due to this amendment would be insignificant in the financial statements.

(iii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. The effect due to this amendment would be insignificant in the financial statements.

(iv) Amendment to Ind AS 19 – plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. The Company does not have any impact on account of this amendment.

Note No. 32 - The figures of previous year have been regrouped/ recast wherever considered necessary to make them comparable with those of current year.

Note No. 33 - Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 30, 2019.

For J. Gupta & Co. LLP

Chartered Accountants

Firm Registration No.: 314010E/E300029

LLP NO. : AAM-2652

Nancy Murarka

Partner

Membership No.: 067953

Place: Kolkata

Date: May 30, 2019

For and on behalf of the Board of Directors

Rajesh Shah

Director (DIN:06746791)

Kuldeep Kumar Sethia

Managing Director (DIN: 00325632)

Malichand Agarwala

Director (DIN: 00772091)

Shweta Sethia

Executive Director and
Chief Financial Officer (DIN: 0111156)

Manoj Sethia

Director (DIN: 00585491)

MIHIKA INDUSTRIES LIMITED
CIN–L70101WB1983OLC035638

Regd. Office: 3, Bentinck Street, 2nd Floor, Kolkata – 700 001

Phone:03322100875;email:mihikaindustries@gmail.com; website: www.mihika.co.in

FORM NO. MGT-11

PROXY FORM

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

Name of the member(s):	
Registered Office:	
Folio No./ DP ID :Client ID:	
E-mail ID:	

I/We, being the member (s) of shares of the above named Company, hereby appoint

1.Name:.....Address:.....

E-mail Id: Signature:.....,.....or failing him

2.Name:.....Address:.....

E-mail Id: Signature:.....,.....or failing him

3.Name:.....Address:.....

E-mail Id: Signature:.....,.....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on 30th day of September, 2019 at 1.00 P.M at 3, Bentinck Street, 2nd Floor, Kolkata - 700001 and at any adjournment thereof in respect of such resolution as are indicated below:

Ordinary Business:

Resolution No.	Particulars of Ordinary Resolutions	Optional	
		For	Against
1.	Adoption of audited financial statements for the year ended 31 March, 2019 and Directors' and Auditors' Reports thereon.		
2.	Re-appointment of Mr. Manoj Sethia (DIN: 00585491) who retires by rotation.		

Special Business:

Resolution No.	Particulars of Special Resolution	Optional	
		For	Against
3.	Re-appointment of Mr. Rajesh Shah (DIN: 06746791) as an Independent Director.		
4	Re-appointment of Mr. Mali Chand Agarwala (DIN: 00772091) as an Independent Director.		

Signed this.....day of 2019

Signature of the Shareholder.....

Signature of Proxy

Affix Rs.1 Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company at 3, Bentinck Street, 2nd Floor, Kolkata – 700001, not less than 48 hours before the commencement of the meeting.

MIHIKA INDUSTRIES LIMITED

CIN–L70101WB1983OLC035638

Regd. Office: 3, Bentinck Street, 2nd Floor, Kolkata – 700 001

Phone: 03322100875; Fax:03322100875;email:mihikaindustries@gmail.com; website: www.mihika.co.in

ATTENDANCE SLIP-36TH ANNAUL GENERAL MEETING

(Please sign and handover at the entrance of the Meeting Hall)

Regd. Folio / DP ID & Client ID
Name and Address of the Shareholder

1. I hereby record my presence at the **36th ANNUAL GENERAL MEETING** of the Company being held on **30th September, 2019** at 1.00 P.M. at the Registered Office of the Company at 3, Bentinck Street, 2nd Floor, Kolkata-700001

2. Signature of the Shareholder/Proxy Present

--

3. Shareholder / Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
4. Shareholder / Proxy desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

Note: - PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID.	(3) PAN or Relevant No. as under	(4) Bank Account No.
			(See Note No.1)

Notes:

- (1) Where Bank Account Number is not registered with the Depositories or Company please enter your User Id. as mentioned in column (2) above.
- (2) Please read the Instructions printed under the Note No. 11 to the Notice dated 31.08.2019 of the 36th Annual General Meeting. The e-voting period starts from 9.00 A.M. on 27.09.2019 and ends at 5.00 P.M. on 29.09.2019, the e-voting module shall be disabled by Central Depository Services (India) Ltd. for voting thereafter.

To,
ABS Consultant Private Limited
(Unit: Mihika Industries Limited)
Room No. 99, 6th Floor, Stephen House, 4
B.B.D Bag (East), Kolkata-700 001

Updation of Shareholder information

I/We request you to record the following information against our Folio No.:

General Information:	
Folio No.:	
Name of the First Shareholder:	
PAN*:	
CIN/Registration No.*: (applicable to Corporate Shareholders)	
Tel.No. with ST D Code:	
Mobile No.:	
Email Id:	

* Self attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c T ype:	Bank A/c No.*:
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the shares under the above mentioned Folio No.

Signature of Sole/First holder

Place:

Date:

Mihika Industries Limited

3, Bentinck Street, 2nd Floor
Kolkata – 700 001
Telephone : 033-2210 0875
Email: mihikaindustries@gmail.com
Website: www.mihika.co.in