



(formerly known as Kavita fabrics Limited)

105, Balaji Industrial Society-1, Udhana Magdalla Road, Surat – 395 007 Gujarat, India.

Tel: 0253-2237599 Email: info@nibelimited.com

CIN No.: L34100GJ2005PLC046929

Date: 29.08.2020

To,  
The General Manager  
Listing Operation,  
**BSE Limited**,  
P.J. Towers,  
Dalal Street,  
Mumbai – 400 001.

**Sub: Notice of Annual General Meeting and Copy of Annual Report pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015**

**Ref: Scrip code 535136**

Dear Sir/ Madam,

Pursuant to the requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR), 2015), please find enclosed copy of Notice of Annual General Meeting and Annual Report for financial year 2019-20.

Kindly take the same on records and oblige.

Thanks & Regards,  
**For Nibe Limited**  
**(formerly known as Kavita fabrics Limited)**

Sd/-

**Ganesh Ramesh Nibe**  
**Managing Director**  
DIN No.: 02932622  
Add: Nashik



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15TH ANNUAL REPORT 2019-20

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**NIBE LIMITED** (Formerly Known as  
Kavita Fabrics Limited)



2019 - 20

**NIBE LIMITED (FORMERLY KNOWN AS KAVITA FABRICS LIMITED)**  
**105 BALAJI INDUSTRIAL SOCIETY - 1, UDHNA MAGDALLA ROAD, SURAT – 395007, GUJARAT, INDIA**



## TABLE OF CONTENTS

<b>SR NO</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
<b>1</b>	Corporate Information	3
<b>2</b>	Letter to the Shareholders	5
<b>3</b>	Notice to Shareholders	6
<b>4</b>	Director's Report	23
<b>5</b>	Nomination and Remuneration Policy	40
<b>6</b>	Secretarial Audit Report	47
<b>7</b>	Management Discussion and Analysis	51
<b>8</b>	Corporate Governance Report	54
<b>9</b>	CEO/CFO Certification	67
<b>10</b>	Auditor's Certificate on Corporate Governance	68
<b>11</b>	Independent Auditor's Report	70
<b>12</b>	Balance Sheet	80
<b>13</b>	Profit & Loss Account	81
<b>14</b>	Cash Flow Statement	82
<b>15</b>	Notes to Financial Statement	83



## 15<sup>th</sup> ANNUAL REPORT OF 2019-2020

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

Mr. Ganesh Ramesh Nibe	Managing Director
Mrs. Manjusha Ganesh Nibe	Executive Director & Chairman
Mr. Sanjay Shivajirao Dighe	Non-Executive Independent Director
Mr. Bhagwan Krishna Gadade	Non-Executive Independent Director
Mr. Shyamkant Sitaram Pawar	Non-Executive Independent Director

#### KEY MANAGERIAL PERSONNEL

Mr. Ganesh Ramesh Nibe	Managing Director
Mr. Hemant Dilip Wani	Chief Financial Officer (CFO)
Mr. Rakesh Narayan Todkari	Company Secretary and Compliance Officer

#### BOARD COMMITTEES

##### AUDIT COMMITTEE

Mr. Shyamkant Sitaram Pawar - Chairman
Mr. Sanjay Shivajirao Dighe - Member
Mr. Ganesh Ramesh Nibe - Member

##### NOMINATION AND REMUNERATION COMMITTEE

Mr. Sanjay Shivajirao Dighe - Chairman
Mr. Shyamkant Sitaram Pawar - Member
Mr. Bhagwan Krishna Gadade - Member

##### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sanjay Shivajirao Dighe - Chairman
Mr. Shyamkant Sitaram Pawar - Member
Mr. Bhagwan Krishna Gadade - Member

#### INTERNAL AUDITOR

M/s. Mahesh Bairat & Associates, Chartered Accountants (FY 2019-20)
M/s. JCA & Associates, Chartered Accountants (FY 2020-21)

#### BANKERS

Union Bank



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**STATUTORY AUDITORS**

M/S. JPL & Associates, Chartered Accountants (FY-2020-21)

**SECRETARIAL AUDITORS**

M/s. R.M. Mimani & Associates, Company Secretaries (FY 2019-20)

M/s. Gautam Tiwari, Company Secretaries (FY 2020-21)

**REGISTRAR AND TRANSFER AGENT****Bigshare Services Private Limited**

E-2 Ansa Industrial Estate,

Sakivihar Road Saki Naka,

Andheri (East), Mumbai –400 072

Tel: +91 – 22 – 4043 0200; Fax: +91 – 22 – 2847 5207

Email: ipo@bigshareonline.com; Website: www.bigshareonline.com

**REGISTERED OFFICE AND CONTACT DETAILS AND WEBSITE****Nibe Limited (Formerly known as Kavita Fabrics Limited)**

105, Balaji Industrial Society - 1, Udhna Magdalla Road, Surat – 395007, Gujarat, India.

**Tel:** +91 – 261 – 3018759 **Fax:** +91 - 261- 3018759

**Email:** [info@nibelimited.com](mailto:info@nibelimited.com),

**Website:** [www.nibelimited.com](http://www.nibelimited.com)

**CIN:** L34100GJ2005PLC046929



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## LETTER TO THE SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to present the Annual Report for 2019-20 for **Nibe Limited (Formerly known as Kavita Fabrics Limited)**

Adversity, they say, is the true test of character.

Your company achieved many admirable wins and milestones through the first 11 months of FY 2020. But it was in the final days of the year that the true nature of its purpose-driven worldview truly shone through. Your company prioritized the health and safety of its employees, kept customers' mission critical systems running under very difficult circumstances and pitched in to help communities across the world battle the pandemic.

When we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. With cloud and the new class of collaboration tools, people are discovering that they are able to collaborate with each other just as well working from home, as they did in person in the pre-COVID era.

The next few months will be difficult, but your company is strong with deep relationships with customers, enviable scale, a diversified business mix, a robust and resilient business model, and strong financials.

In the post pandemic world Your company is well poised to take the lead in partnering customers to recover and rebound on to their growth and transformation journeys.

I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business and look forward to the same in the next fiscal year.

Warm Regards

**Manjusha Nibe**  
**Chairman**



## NOTICE OF 15<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 15<sup>th</sup> Annual General Meeting of “**NIBE LIMITED**” (Formerly known as **Kavita Fabrics Limited**) will be held on 18<sup>th</sup> September, 2020 at 2.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business::

### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 including audited Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
- 2. To appoint Mrs. Manjusha Ganesh Nibe (holding DIN 05114706) as a director liable to retire by rotation.**

### **SPECIAL BUSINESS:**

- 3. Reclassification of the Status of Promoter Shareholding into Public Shareholding**

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments made thereto) (hereinafter referred to as “Listing Regulations”) including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions of Listing Regulations and other applicable laws, subject to necessary approvals from the SEBI Board, Stock Exchange and other appropriate statutory authorities, as may be necessary, the consent of the Members of Company be and is hereby accorded to re-classify Mr. Shailesh Harish Chandak, Harish Bhagirath Chandak HUF, Mr. Harish Bhagirath Chandak, Shaileshkumar Harishkumar Chandak HUF, Mr. Om Prakash Daga and Mrs. Sarika Shailesh Chandak (‘the erstwhile Promoter and Promoter Group of the Company’/ ‘Applicant’) not holding any equity shares of the Company till the date of AGM forming part of the Promoter Group from “Promoter and Promoter Group Category” to “Public Category”.

**RESOLVED FURTHER THAT** that the applicant seeking re-classification and persons related to the applicant as defined under sub-clauses (ii), (iii) and (iv) of clause (pp) of sub-regulation (1) of regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 seeking re-classification shall not:

- (i) together, hold more than ten percent of the total voting rights in the Company;
- (ii) exercise control over the affairs of the Company directly or indirectly;



- (iii) have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- (iv) be represented on the board of directors (including not having a nominee director) of the Company;
- (v) act as a key managerial person in the Company;
- (vi) be a 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- (vii) be a fugitive economic offender.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to submit the application for reclassification to the SEBI Board, Stock Exchange, wherein the securities of the company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution.

**RESOLVED FURTHER THAT** any Directors of the Company be and is hereby authorized to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution.”

#### **4. Appointment of M/s JPL and Associates, Chartered Accountants, as Statutory Auditors to fill up the casual vacancy, caused due to resignation of M/s. R. T. Jain & Associates, Chartered Accountants**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s JPL and Associates, Chartered Accountants, (Firm Registration No. 132748W) be and is hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused due to resignation of M/s R. T. Jain & Associates, Chartered Accountants.

**RESOLVED FURTHER THAT** M/s JPL and Associates, Chartered Accountants, (Firm Registration No.132748W) shall be entitled to hold the office of the Statutory Auditors of the Company upto the conclusion of the 20<sup>th</sup> Annual General Meeting to be held in the year 2025 at such remuneration (including fees for Certification) and reimbursement of out of pocket expenses for the purpose of audit as may be fixed by the Board of Directors of the Company, on the recommendation of the Audit Committee.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters, and things as may be required to give effect to above resolution from time to time.

#### **5. Consider and Approve Alteration of Object Clause of Memorandum of Association of company.**

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

**RESOLVED THAT** pursuant to the provisions of section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with rule no. 32 of Companies





(Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the object clause of the company as placed before Board on 12<sup>th</sup> August, 2020 is be and is hereby approved and adopted.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby to do all acts and take all such steps as may be necessary, to give effect to the aforesaid resolution.

**6. Consider and Approve Related Party Transactions under Section 185 of companies Act, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), up to a sum not exceeding Rs.50 Crores [Rupees Fifty Crores Only] at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company."

**"RESOLVED FURTHER THAT** the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/undertakings/agreements/papers/writings for giving effect to this Resolution."

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.



3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to [info@nibelimited.com](mailto:info@nibelimited.com).
5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form with Bigshare Services Private Limited in case the shares are held by them in physical form.
6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form.
7. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 15<sup>th</sup> September, 2020 through email on [info@nibelimited.com](mailto:info@nibelimited.com). The same will be replied by the Company suitably.
10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
11. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.nibelimited.com](http://www.nibelimited.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL <https://www.evotingindia.com>.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.



14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
15. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.
16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited for assistance in this regard.
17. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will be closed from 14<sup>th</sup> September 2020 to 18<sup>th</sup> September, 2020 both days inclusive.
18. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
19. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding Physical shares can submit their PAN to the Company/ Bigshare Services Private Limited.

**20. Process for those members whose email ids are not registered:**

- i. Members in physical mode or demat mode can register their email address through the link provided by Bigshare Services Private Limited <https://bigshareonline.com/InvestorRegistration.aspx> and following the registration process as guided thereafter. Post successful registration of the email, the members would get a confirmation on their email id. In case of any queries, members may contact the RTA through their website <https://bigshareonline.com>.
- ii. The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**21. Instructions for e-voting are as follows:**

**A. VOTING BY ELECTRONIC MEANS**

- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. The instructions for e-voting are given herein below.



- (ii) The remote e-voting period commences on Tuesday, 15<sup>th</sup> September, 2020 (9:00 a.m. IST) and ends on Thursday, 17<sup>th</sup> September, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 11<sup>th</sup> September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iii) The Board of Directors has appointed Mr. Gautam Tiwari Practicing Company Secretary (Membership No. 33071, CoP No. 19158) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- (vii) The details of the process and manner for remote e-voting are explained herein below:
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first-time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>❖ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as</p>



of Birth (DOB)	mentioned in instruction (v).
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- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for “Nibe Limited” (Foremrlly known as Kavita Fabrics Limited) on which you choose to vote.
- 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.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 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.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- **Note for Non-Individual Shareholders and Custodians**
  - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ❖ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.



- ❖ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ❖ Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- ❖ 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
- ❖ All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

## **GENERAL GUIDELINES FOR SHAREHOLDERS**

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by email to [info@nibelimited.com](mailto:info@nibelimited.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evotingindia.com> to reset the password.
3. 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their



respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
6. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) or call 1800225533.
8. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [info@nibelimited.com](mailto:info@nibelimited.com) from September 15, 2020 (9:00 a.m. IST) to September 17, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **OTHER INSTRUCTIONS**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nibelimited.com](http://www.nibelimited.com). The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors**  
Sd/-



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**Ganesh Nibe**  
**(Managing Director)**  
**DIN: 02932622**

**Regd Office:** 105, Balaji Industrial Society - 1,  
Udhna Magdalla Road, Surat – 395007,  
Gujarat, India





**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND REGULATION 36 (5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2 and 3 of the accompanying Notice:

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

**Item No. 2**

**Details of Directors Retiring by Rotation And Seeking Re-Appointment.**

<b>Name of Director</b>	Mrs. Manjusha Nibe
<b>Date of Birth</b>	22.02.1981
<b>Date of Appointment</b>	07.02.2020 as Additional Director 13.03.2020 change in Designation as Executive Director and Chairman of the Company
<b>Qualification</b>	MA
<b>Expertise in specific Functional areas</b>	10 years She is Admin, HR, Finance monitoring experience of more than 10 Years
<b>Director in other Public Companies</b>	Nil
<b>Chairman/ Member of Committees of other Companies</b>	Nil
<b>No of shares held in the Company</b>	5,10,000 (4.90%)

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

**Item No. 3**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations, 2015”), as amended effective 16th November 2018, has provided a regulatory mechanism for re-classification of Promoters as Public Shareholder subject to fulfilment of conditions provided therein.

The Company had received a letter from the following individuals (hereinafter referred to as ‘Erstwhile Promoter and Promoter Group / Applicants’) falling under the category of “Promoters / Promoter Group” of the Company requesting to be re-classified from the category of “Promoters / Promoter Group” to “Public Category”:

<b>Sr. No.</b>	<b>Name</b>	<b>No. of Equity shares held</b>	<b>% of Total Equity Share Capital</b>
1.	Mr. Shailesh Harish Chandak	0	0
2.	Harish Bhagirath Chandak HUF	0	0
3.	Mr. Harish Bhagirath Chandak	0	0
4.	Shaileshkumar Harishkumar Chandak HUF	0	0
5.	Mr. Om Prakash Daga	0	0
6.	Mrs. Sarika Shailesh Chandak	0	0



In view of application received from the above entity and in consideration with the proper compliance of Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at its meeting held on March 23, 2020 has considered the application for re-classification received by the Erstwhile Promoter and Promoter Group as above from Promoter Group Category to Public Category subject to approval by the members, SEBI Board, Stock Exchange or any other regulatory body as may be required.

The aforesaid applicants do not exercise any control over the Company and is not engaged in the management of the Company. Also, the aforesaid applicant didn't have any shareholding in the company before the proposed reclassification and after the proposed reclassification and does not have any representation on the Board of Directors of the Company nor holds any Key Management Personnel position in the Company. Further, the aforesaid entity does not have any veto rights or special rights as to voting power or control of the Company. Therefore, the Board hereby recommends to the members, the re-classification of the applicants from Promoters to Public Category.

Your Directors recommend the passing of the Resolution in the Notice as an **ORDINARY RESOLUTION**.

None of the Directors/ Key Managerial Personal of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in the Notice except to the extent of their shareholding, if any, in the Company.

#### **Item No. 4**

M/s R. T. Jain and Associates, Chartered Accountants, have tendered their resignation from the position of Statutory Auditors, with effect from August 12, 2020 resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013. As per Section 139(8) of the Companies Act, 2013, the casual vacancy caused by the resignation of Auditors can be filled by the Board within thirty days which is subject to the approval of the members within three months of the recommendation of the Board and such auditor shall hold office till the conclusion of the next Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board, at its meeting held on December 7, 2018, proposes and recommends that M/s. JPL & Associates (Firm Registration No. 132748W) be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. R. T. Jain and Associates, Chartered Accountants, who shall hold the office up to the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company to be held in the year 2025.

M/s. JPL & Associates, Chartered Accountants, being eligible under section 139(1) and other applicable provisions, have consented to act as the Statutory Auditors of the Company and have also confirmed that their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Board of Directors recommends the resolution for the approval of members of the Company as set out in Item No.4 of the Notice as Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the proposed Resolution set out at Item No. 4 of this Notice.



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### **Item No. 5**

The Board Of Directors have proposed Alteration in Object Clause of Memorandum of Association of company. The said change is keeping in view the expansion plan of management and for tapping new business avenues by the company pursuant to change in Management of company during the year.

The proposed Object Clause of Memorandum is mentioned below:

#### **Engineering Procurement Contractors**

1. To carry on business as engineering and procurement contractors, general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors and enter into contracts and joint ventures in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants, mines and ports including airports and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in companies carrying on the above business.
2. To carry on the business of manufacturing, assembling, installing, repairing, covering, buying, selling, exchanging, altering, importing, exporting, hiring, letting on hire, disturbing or dealing in all types of power plants, sinter plants, coke oven plants, wet and dry cooling systems, monitoring equipment, steam trap and strainers, heat exchangers and other tools, implements, appliances, belts, nuts, hooks and engineering goods, ferrous and non ferrous metals and metal products, foundry and factory supplies, mill supplies, industrial articles of all kinds and description for all types of cooling systems applications and industrial vehicles of all kinds and all components parts, accessories, equipments and apparatus for use in connection therewith.
3. To act as engineering, technical, financial and management consultants and to advice and assist on all aspects of industrial management or activity and to make evaluations, feasibility studies, project reports, forecasts and surveys and to give expert advice and suggest ways and means for improving efficiency in power plants, chemical, petrochemical plants, steel and iron manufacturing and processing industries, plants of all other kinds, factories and industries of all kinds and supply to an to provide, maintain and operate service facilities, convenience, bureaus and the like for the benefit of any person, company, corporate body, firm trust, association society, organisation whatsoever and generally to act as service organisation or for providing generally engineering, administrative, advisory, commercial, management, consultancy, technical, quality control, and other services to persons, companies, corporate bodies, firms, trusts, association or organisations, whatsoever and to undertake the supervision of any business or organisation and to undertake turnkey projects and to invest in or acquire interest in companies carrying on above business.

#### **Pre-fabricated substations**

4. To carry on the business of design, development, manufacturing, assembling, installing, repairing, covering, buying, selling, exchanging, altering, importing, exporting, hiring, letting on hire, disturbing or dealing in all types of prefabricated substations, E-houses, kiosks, modular substations, compact substations, containerized substations, mobile substations, substations on wheel, skid mounted substations or any type of substations.

#### **Information Technology Software and Hardware**



5. To carry on the business of Software designing, development, customisation, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centres or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up Information technology related assignments on sub-contracting basis, offering services on-site / offsite or through development centres using owned / hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel / consultants / human resources to / from other organizations, providing solutions / Packages / services through applications services provider mode via internet or otherwise, to undertake IT enabled services like call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, credit card processing, loans and letters of credit processing, cheque processing, data warehousing and database management, to carry on the business of manufacturing, dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components, spare parts, equipments and devices and to carry on the business of establishing, running and managing institutions, school, and academics for imparting education in computer technology, offering equipment, solutions and services for Networking and network management, data centre management and in providing consultancy services in all above mentioned areas.
6. To provide direct services of customer acquisition / marketing / selling / sub-contractor, partnership with vendors for Enterprise Resource Planning, Video Conferencing based e-learning solutions like Virtual Smart Schooling Solutions, Online / Offline Examination , Asset Management, Inventory Management, Mass Transit Solutions, ITMS and Smart City Solutions, Card based open loop / closed loop / semi-closed loop programs, Workflow and DMS based Enterprise products and services, and other software based implementations for CCTV Surveillances, Dashboard MIS, Smart Signalling, Artificial Intelligence and Machine Learning tools and products, IT Automation Solutions. To provision, commission all IT hardware components and managed services for Data Centres, Dark Fibre and Bandwidth to various institutions and commercial spaces, selling / manufacturing / re-selling and allied services networking components like routers, switches, CCTV camera, drones, GPS based Systems, Cyber forensics, cyber security related services / programs, command Centres, associated man power and digitization Software and hardware related products and services in India or elsewhere.
7. To develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet service provider, and solutions in all areas of application including those in Emerging niche segments like Internet and Intranet website applications solutions software enterprise, resource planning, e-commerce, value added products and other business applications either for its own use for sale in India or for export outside India and to design and develop such systems and application software for and on behalf of manufacturers owners and users of computer, telecom, digital, electronic equipments in India or elsewhere in the world.
8. To manufacture, sell, export, import all kinds of electric & electronic components capable of being used in Electrical & mechanical and electronic Industries including Computers telecommunications to carry our software research and development, to design and develop system software, application software and any other software in India and abroad to start



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Integrated services Digital Local Network ( ISDLAN ) dial for data Centres technology parks, wide area network Internet, user net, cyber café services in India and abroad.

### **Trading of Electronic Components**

9. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of electrical and electronic products on retail as well as on wholesale basis in India or elsewhere.

### **Electrical Vehicles**

10. To carry on the business of design, development, testing, manufacturing, trading, buying, selling, assemble, import, export, dealing in all types of electric and battery operated vehicles, Hybrid E-vehicles, automobiles, motorcars, electric bikes & carriages, electric vehicle Kit like electric Motors, Controller, Wire Harness, Converters, Chargers, chassis-bodies and other components, parts and accessories of such vehicles, lithium-ion batteries, Advance batteries, Hydro fuel cells, and batteries of all types and kinds, dry cells and other batteries used in or required for industrial / e-vehicles e-transport, commercial, development and consumptive purpose, Solar and Grid type Charging Station, their components, parts, ingredients, substances, systems, consumable accessories or fittings, Test Equipment related to EVs.

### **Food Supply and Chain Management**

11. To initiate, acquire, set up, construct, establish, maintain, run, operate and manage business centre, hyper markets, departmental stores, super markets, shopping malls, discount stores, specialty stores, shopping outlets, convenience stores, commercial complexes, showrooms and for purpose to give on lease or hire, to deal in, trade, import, export, market, distribute, process, pack, re-pack, move, preserve, produce, repair, wholesalers, retailers, representatives, commissions agents, franchisers and dealers of all commercial, industrial, scientific, household, domestic, forest and food products and services, consumers goods, consumer durables and other consumer's necessities of every kind, make and sorts, whatsoever, including cosmetic, pharmaceuticals, automobile, plants, machineries, equipment, apparatus, gadgets, appliances, computer hardware, computer parts, software, components, communication equipment, petroleum products, steel, accessories, spare parts or other merchandise such as food products, confectionary, beverages, beer, housekeepers, licensed victuallers, wine and spirit merchants, tea, coffee and refreshment rooms, café, ice cream parlours, video parlours, jute textiles, linens, furnishing fabrics and fabrics of all kinds, readymade garments and clothing, lingerie, hosiery, leather, rubber and plastic products, footwear, and glass wares, enamelware, earth ware, porcelain wares, handicrafts, antiques, accessories, home décor items, furniture, stationary, personal care products, toiletries, metals, cookeries, precious and semi-precious stones, paper and paper products, perfumery, engineering goods, health and beauty products, pets and supplies, household chemicals, impulse merchandise, oil seeds toys, sporting goods, automotive, hardware, paint and accessories, housewares, small appliances, lawn & garden, home furnishings, seasonal, horticulture, large appliances, wireless, fabrics and craft, domestic goods, curtains and drap, bedding, means wear, boys wear, infants/toddlers, girls wear, ladies socks, sheer hosiery, sleepwear, bras & shapewear, accessories, ladieswear, swimwear, outerwear, seafood, meat-fresh & frozen, floral, dairy products, frozen foods, commercial bread, bakery, candy and tobacco, grocery dry goods, grocery, liquor, wine, beer, pharmacy, jewellery and sunglasses, shoes optical-frames, optical-lenses, cameras photo films and reels, concept stores, optical-doctors, financial services, electrical & electronic goods and all other types of general good, consumables, materials, accessories, commodities and equipment or any other general merchandise or services of every nature, types and descriptions on ready or forward basis.”



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### **Flooring and Synthetic Fibre**

12. To carry on in India or elsewhere the business of trading in all types of flooring including but not limited to vinyl flooring and all types of fabric items including but not limited to synthetic fibre.

### **Defence Products**

13. To carry on the business of buying, selling, importing, exporting, merchandising, offshore trading, acting as agents for purchase and sale of and to deal in equipment, stores, apparatus, accessories, assemblies, sub-assemblies, instruments, tools, components, devices and gadgets of all types of defence equipment and stores.

### **Helicopter and Chartered Flight Hiring and Leasing**

14. To carry on the business of chartering aircrafts, helicopters and allied air vehicles in scheduled and unscheduled manner to institutions, concerns, bodies corporate, associations (corporate and unincorporated), Governments, public and local bodies and authorities, societies and trusts and persons in India and abroad and to promote and carry on the business of air travel in all its manifestations and for this purpose to undertake and operate air services and air taxi operations subject to the permission and control of appropriate Government and their agencies as may be required.

### **Power trading**

15. To carry on the business of power trading, buying, selling, metering, invoicing and all other activities related to all types of power trading business.

### **Renewable energy**

16. To carry on the business of renewable energy including but not limited to solar, wind and hydro power, solar cells, inverters and all other activities related to all types of renewable energy business.

Your Directors recommend the passing of the Resolution in the Notice as an **ORDINARY RESOLUTION**.

None of the Directors/ Key Managerial Personal of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in the Notice except to the extent of their shareholding, if any, in the Company.

### **Item No. 6**

The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan to such



Entities. The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

The Board of Directors recommend the resolution given in this Notice for your approval as a Special Resolution.

None of the Directors/ Key Managerial Personal of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in the Notice except to the extent of their shareholding, if any, in the Company.

**By Order of the Board of Directors**

**Sd/-  
Ganesh Nibe  
(Managing Director)  
DIN: 02932622**

**DIN: Surat, August 12, 2020**

**Regd Office:** 105, Balaji Industrial Society - 1,  
Udhna Magdalla Road, Surat – 395007,  
Gujarat, India



## DIRECTORS REPORT

**To the Members,**

Your Directors are pleased to present the 15<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

### **1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:**

The Board's Report shall be prepared based on the stand-alone financial statements of the Company.

Particulars	FY ending March, 2020	FY ending March, 2019
	Rs.	Rs.
<b>Total Income</b>	<b>1,72,33,670</b>	<b>2,30,22,736</b>
Less: Expenditure	2,17,81,843	2,27,98,070
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	<b>(44,25,048)</b>	<b>6,94,972</b>
<b>Other Income</b>	<b>28,08,513</b>	<b>39,04,884</b>
Less : Interest	71,794	47,685
Less: Depreciation	51,331	4,22,620
<b>Profit/(Loss) before Tax</b>	<b>(45,48,173)</b>	<b>2,24,666</b>
<b>Profit/(Loss) after Tax</b>	<b>(47,87,771)</b>	<b>(41,777)</b>

### **2. COVID-19**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. As of March 31, 2020, work from home was enabled to close to 90 percent of the employees. Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY2020, the Company will try to navigate the challenges ahead and gain market share.

### **3. BRIEF DESCRIPTION OF THE COMPANY'S OPERATIONS DURING THE YEAR / STATE OF COMPANY'S AFFAIR**

The Company suffered a loss of Rs. 47,87,771 as compared to loss of Rs. 41,777 in the previous year.

### **4. FINANCIAL YEAR**

This report of Directors along with its Annexure, Management Discussion and Analysis, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 01, 2019 to March 31, 2020 (a period of 12 months). Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, a 'financial year' in relation to the Company means the period ending on the 31st day of March every year, in respect whereof financial statement of the Company is made. Your Company is in compliance with the provisions of the Companies Act, 2013.

### **5. DIVIDENDS AND RESERVES**

The Company has decided to sustain the growth in line with the long-term growth objectives of the Company by retaining the profits and utilizing the same for opportunities in hand.





## **6. SHARE CAPITAL**

During the period April 01, 2019 to March 31, 2020, during the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity and there is no change in the Issued, Subscribed and paid up share Capital of Company. The Share Capital Audit as per the directives of the Securities and Exchange Board of India (SEBI) is being conducted by Practicing Company Secretaries. The paid-up Share Capital of the Company stands at Rs. 10,41,87,060/- (Rupees Ten Crores Forty-One Lakh Eighty-Seven Thousand and Sixty Only).

## **7. TRANSFER TO RESERVES**

No amount has been transferred by the Company to Reserves during the year.

## **8. PUBLIC DEPOSITS**

The Company has neither invited nor accepted any public deposits during the period under review.

## **9. SUBSIDIARY AND ASSOCIATE COMPANIES**

As on March 31, 2020 the Company does not have any subsidiary or associate company.

## **10. CONSOLIDATED FINANCIAL STATEMENT**

The Company is not required to consolidate its financial statements in terms of provisions of Companies Act, 2013 and rules thereunder.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **12. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- i. During the year, Shailesh Chandak, Sarika Chandak, Govindlal Saboo, and Kishan Kumar Sarada, ceased to be the Directors with effect from 07/02/2020 upon the change in control and management of the company and Mr. Ganesh Nibe, Mrs. Manjusha Nibe, Mr. Sanjay Shivajirao Dighe, Mr. Bhagwan Krishna Gadade, and Mr. Shyamkant Sitaram Pawar was appointed as Directors on the



Board. The New Management places on record its appreciation for their invaluable contribution and guidance.

- ii. Mr. Hemant Dilip Wani was appointed as the Chief Financial Officer of the Company on 07.02.2020.
- iii. Mr. Ganesh Nibe was regularised as the Managing Director, Mrs. Manjusha Nibe was regularised as the Executive Director and was designated as the Chairman of the Company, Mr. Sanjay Shivajirao Dighe, Mr. Bhagwan Krishna Gadade, and Mr. Shyamkant Sitaram Pawar was regularised as the Independent Directors of the Company in the EGM held on 13.03.2020.
- iv. Mr. Rakesh Narayan Todkari was appointed as the Company Secretary of the Company in place of Ms. Nupur Tanmay Gadekar on 07.02.2020. Mr. Rayyan Tajak was appointed as Company Secretary in place of Mr. Rakesh Todkari on 07.07.2020.
- v. Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company. Mr. Sanjay Shivajirao Dighe, Mr. Shyamkant Sitaram Pawar and Mr. Bhagwan Krishna Gadade are Independent Directors of the Company. Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.
- vi. The Company has appointed Mr. Ganesh Nibe as the Managing Director, Mrs. Manjusha Nibe as the Chairman & Mr. Hemant Dilip Wani as the Chief Financial Officer in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.
- vii. The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.
- viii. Mrs. Manjusha Nibe retires by rotation and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.
- ix. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.
- x. Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Mr. Ganesh Nibe, Managing Director, Mr. Hemant Dilip Wani, Chief Financial Officer and Mr. Rayyan Tajak, Company Secretary & Compliance Officer of the Company.

### **13. NUMBER OF MEETINGS OF BOARD OF DIRECTORS:**

Eight meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

### **14. BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.



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The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on appointment of directors is available on [www.nibelimited.com](http://www.nibelimited.com). The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on [www.nibelimited.com](http://www.nibelimited.com).

**16. INTERNAL FINANCIALS CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses were observed. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

**17. COMMITTEES OF THE BOARD**

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

Details of Committee and their meetings are detailed in Corporate Governance Report.

**18. AUDITORS**

At the 11<sup>th</sup> AGM held on September 29, 2016 the Members approved appointment of M/s. R T Jain & Co., Chartered Accounts (Firm Registration No. 103961W) as Statutory Auditors of the Company who tendered their resignation on 14<sup>th</sup> August, 2020 and M/s. JPL & Associates, Chartered Accountants as Statutory Auditors in Casual Vacancy. The Resolution regularizing their appointment for term of 5 years forms Part of Notice of this AGM.

**19. AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT**

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

**20. VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the Company's Website i.e. [www.nibelimited.com](http://www.nibelimited.com).

**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (if any) are given in the notes to the Financial Statements.



## **22. BUSINESS RISK MANAGEMENT**

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business. The Company has adopted risk management policy.

## **23. RELATED PARTY TRANSACTIONS**

The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form No. AOC-2 and the same forms part of this report.

## **24. CORPORATE SOCIAL RESPONSIBILITY**

The Company does not exceed the threshold limits mentioned in Section 135 (1) of the Companies Act, 2013. Therefore, the provisions pertaining to Corporate Social Responsibility are not applicable to the Company.

## **25. EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as **Annexure I**. The same is available on the website of the company on [www.nibelimited.com](http://www.nibelimited.com)

## **26. PARTICULAR OF EMPLOYEES**

Particulars of employees as required u/s 134 of the Companies Act, 2013 are not annexed since the executive directors are not drawing any salary till date during the year under review and the independent directors are getting sitting fees.

Further the information required pursuant to Section 197 of the Companies Act, 2013 (the Act) read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Compliance Officer in this regard.

## **27. DISCLOSURE REQUIREMENTS**

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis Report are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.



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## **28. DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## **29. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNING:**

### **(A) Conservation of Energy**

Your company is taking continuously taking initiatives to ensure optimum utilization of energy available in day to day operations. Your company uses energy efficient lighting devices, light fittings to save energy, capacitor bank/devices to maintain power factor which are environment and power efficient.

### **(B) Technology Absorption**

Your company is doing its business by ensuring optimum utilisation of its available resources. Your company has not taken any research & development activity so far.

### **(C) Foreign Exchange Earnings and Outgo**

The Company has not incurred in foreign currency during the financial year 2019-20.

## **30. WHISTLE BLOWER POLICY**

The Company has adopted a 'Whistle Blower Policy' with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has established mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct and Ethics.

The Whistle Blower Policy has been posted on the website of the Company [www.nibelimited.com](http://www.nibelimited.com).

## **31. NOMINATION AND REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

## **32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

## **33. ADEQUACY OF INTERNAL CONTROL SYSTEM**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

## **34. CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which is available on website of the company. The Company has obtained



confirmations for the compliance with the said code from all its Board members and senior management personnel for the year ended March, 31, 2020.

### **35. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

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

### **36. NOMINATION AND REMUNERATION COMMITTEE**

The Company follows a policy on “Nomination and Remuneration of Directors, Key managerial Personnel and Senior Management”. The policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in **Annexure II**.

### **37. SECRETARIAL AUDITORS**

The Board of Directors have appointed M/s. R. M. Mimani & Associates as Secretarial Auditors to conduct Secretarial Audit for the Financial Year 2019-20. However, Gautam Tiwari, Company Secretary to conduct Secretarial Audit for the Financial Year 2020-21.

The Secretarial Audit Report issued by M/s. R. M. Mimani & Associates, Company Secretaries in Practice is self-explanatory and does not call for further comments. The Secretarial Audit Report and Management reply on the qualifications stated in the said Report forms a part of Directors Report in **Annexure IV**.

### **38. AUDIT COMMITTEE**

The composition of Audit Committee is as follows:

<b>Name of Directors</b>	<b>Designation in Committee</b>	<b>Category</b>
Mr. Shyamkant Sitaram Pawar	Chairman	Non-Executive Independent Director
Mr. Sanjay Shivajirao Dighe	Member	Non-Executive Independent Director
Mr. Ganesh Ramesh Nibe	Member	Managing Director
Mr. Govindlal Meghrajji Saboo*	Chairman	Non-Executive Independent Director
Mr. Kishan Kumar Sarda*	Member	Non-Executive Independent Director
Mr. Shailesh Harish Chandak*	Member	Managing Director

*\*The Audit Committee was reconstituted in the Board Meeting dated 07.02.2020. Mr. Govindlal Meghrajji Saboo, Mr. Kishan Kumar Sarda and Mr. Shailesh Harish Chandak resigned on 07.02.2020.*

During the Financial Year 2019-20, Audit Committee met 6 times on 29.05.2019, 12.08.2019, 04.09.2019, 11.11.2019, 06.02.2020 and 23.03.2020. All the recommendations made by the audit committee were accepted by the board.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges.



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### **39. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices.

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received by the company during the year for sexual harassment.

In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

### **40. MANAGEMENT DISCUSSION AND ANALYSIS**

In compliance with the Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a separate section on the Management Discussion and Analysis Report giving details of overall industry structure, developments, performance and state of affairs of Company's business forms an integral part of this Report.

### **41. CORPORATE GOVERNANCE**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report.

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report.

### **42. CAUTIONARY STATEMENT**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

### **43. HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an on-going basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.



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**44. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**45. DISCLOSURE ABOUT COST AUDIT**

As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

**46. LISTING WITH STOCK EXCHANGES**

The Company is listed on Main Board of BSE Limited. The Company confirms that it has paid the Annual Listing Fees for the year 2020-2021 to BSE Limited where the Company's Shares are listed.

**47. APPRECIATIONS AND ACKNOWLEDGMENTS**

Your Directors wish to express their appreciation and gratitude to all the employees at all levels for their hard work, dedication and cooperation during the year. Your Directors wish to express their sincere appreciation for the excellent support and co-operation extended by the Company's shareholders, customers, bankers, suppliers, regulatory and government authorities and all other stakeholders.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

**For and on behalf of the Board**  
**Nibe Limited**(Foremly known as Kavita Fabrics  
Limited)

**Sd/-**

**Ganesh Nibe**  
**(Managing Director)**

**DIN: 02932622**

**Date:** August 12, 2020

**Place:** Surat





**ANNEXURE TO THE DIRECTORS' REPORT**

**ANNEXURE I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

[As on financial year ended on 31.03.2020]

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

**I. REGISTRATION & OTHER DETAILS:**

1.	<b>CIN</b>	L34100GJ2005PLC046929
2.	<b>Registration Date</b>	18-10-2005
3.	<b>Name of the Company</b>	<b>NIBE LIMITED</b> (Foremrlly known as Kavita Fabrics Limited)
4.	<b>Category / Sub-category of the Company</b>	Public Company Limited by Shares
5.	<b>Address of the Registered Office and Contact details</b>	105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat – 395007, Gujarat, India <b>Tel:</b> +91 – 261 – 3018759 <b>Fax:</b> +91 - 261- 3018759 <b>Email:</b> <a href="mailto:info@nibelimited.com">info@nibelimited.com</a> <b>Website:</b> www.nibelimited.com
6.	<b>Whether listed company</b>	Yes
7.	<b>Name, Address &amp; contact details of The Registrar &amp; Transfer Agent, if any.</b>	<b>Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059. <b>Tel:</b> +91 – 22 – 4043 0200; <b>Fax:</b> +91 – 22 – 2847 5207, <b>Email:</b> ipo@bigshareonline.com; <b>Website:</b> www.bigshareonline.com

**II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sr. No.	Name and Description of Product or Service	NIC Code of Product/Service	% of Total Turnover of the Company
1	Weaving, manufacturing of man-made fibre and man-made mixture fabrics.	17118	100 %
2	Manufacture of motor vehicles, trailers and semi-trailers		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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



**i. Category-wise Shareholding**

Category of Shareholders	No. Of Shares held at the beginning of the year (As on April 01, 2019)				No. Of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	30,81,704	-	30,81,704	29.58	60,91,606	-	60,91,606	58.47	28.89
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1)</b>	<b>30,81,704</b>	<b>-</b>	<b>30,81,704</b>	<b>29.58</b>	<b>60,91,606</b>	<b>-</b>	<b>60,91,606</b>	<b>58.47</b>	<b>28.89</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. Of Shares held at the beginning of the year (As on April 01, 2019)				No. Of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Market Maker	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
(i) Indian	29,64,913	-	29,64,913	28.41	20,17,079	-	20,17,079	19.36	(9.05)
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	5,15,016	-	5,15,016	4.94	2,04,695	-	2,04,695	1.96	(2.98)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	38,57,073	-	38,57,073	37.02	21,00,326	-	21,00,326	20.16	(16.86)
c) Others – NRI	5,000	-	5,000	0.05	5,000	-	5,000	0.05	-
d) Others – Clearing Members	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	<b>73,37,002</b>	-	<b>73,37,002</b>	<b>70.42</b>	<b>43,27,100</b>	-	<b>43,27,100</b>	<b>41.53</b>	<b>(28.89)</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>73,37,002</b>	-	<b>73,37,002</b>	<b>70.42</b>	<b>43,27,100</b>	-	<b>43,27,100</b>	<b>41.53</b>	<b>(28.89)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,04,18,706</b>	-	<b>1,04,18,706</b>	<b>100</b>	<b>1,04,18,706</b>	-	<b>1,04,18,706</b>	<b>100</b>	-

## ii. Shareholding of Promoters (including Promoter Group)



Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2019			Shareholding at the end of the year i.e March 31, 2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Om Prakash Madanlal Daga	300	0.00	-	-	-	-	(0.00)
2.	Sarika Shailesh Chandak	16,27,802	15.62	-	-	-	-	(15.62)
3.	Shailesh Harish Chandak	2,56,002	2.46	-	-	-	-	(2.46)
5.	Harish Bhagirath Chandak	10,86,711	10.43	-	-	-	-	(10.43)
6.	Shaileshkumar Harishkumar Chandak HUF	300	0.00	-	-	-	-	(0.00)
7.	Harish Bhagirath Chandak HUF	1,10,589	1.06	-	-	-	-	(1.06)
8.	Manjusha Ganesh Nibhe*	5,10,000	4.90	-	5,10,000	4.90	-	0.00
9.	Ganesh Ramesh Nibe*	18,16,477	17.43	-	55,81,606	53.57	-	36.14
	<b>Total</b>	<b>30,81,704</b>	<b>29.58</b>	-	<b>60,91,606</b>	<b>58.47</b>	-	<b>28.89</b>

\*Pursuant to Open Offer Mr. Ganesh Ramesh Nibe and Mrs. Manjusha Ganesh Nibhe became the Promoters of the company in 2019 they were public shareholders.

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

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year i.e April 01, 2019		Cumulative Shareholding during the year ended March 31, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Om Prakash Madanlal Daga	300	0.00	-	-
2.	Sarika Shailesh Chandak	16,27,802	15.62	-	-
3.	Shailesh Harish Chandak	2,56,002	2.46	-	-
4.	Harish Bhagirath Chandak	10,86,711	10.43	-	-
5.	Shaileshkumar Harishkumar Chandak HUF	300	0.00	-	-
6.	Harish Bhagirath Chandak HUF	1,10,589	1.06	-	-
7.	Manjusha Ganesh Nibhe*	5,10,000	4.90	5,10,000	4.90
8.	Ganesh Ramesh Nibe*	18,16,477	17.43	55,81,606	53.57

\*Pursuant to Open Offer Mr. Ganesh Ramesh Nibe and Mrs. Manjusha Ganesh Nibhe became the Promoters of the company in 2019 they were public shareholders.



ii. Change in Top Ten Shareholders (Other than Directors, Promoters and Holders of ADRs and GDRs)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e. April 01, 2019		Cumulative Shareholding during the year i.e. March 31, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Ganesh Ramesh Nibe	18,16,477	17.43	5581606	53.57
2.	Sanjoyog Trade-Link Private Limited	9,78,223	9.39	958223	9.20
3.	Manjusha Ganesh Nibhe	5,10,000	4.90	5,10,000	4.90
4.	Harish Khajanchi	0	0	450000	4.32
5.	Vaishno Media Graphix Private	4,50,000	4.32	4,50,000	4.32
6.	Lakhotia Polyesters (India) Ltd	15,31,690	14.70	364191	3.50
7.	Swapnali Kiran Mahajan	3,00,000	2.88	3,00,000	2.88
8.	Kavita Khajanchi	0	0	250000	2.40
9.	Rahul Anantrai Mehta	0	0	163019	1.56
10.	Rohan M Jain	1,52,400	1.46	152400	1.46

iii. Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (April 01, 2018)		Cumulative Shareholding during the end of year (March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sarika Shailesh Chandak*	16,27,802	15.62	0	0
2.	Shailesh Harish Chandak*	2,56,002	2.46	0	0
3.	Manjusha Ganesh Nibhe*	5,10,000	4.90	5,10,000	4.90
4.	Ganesh Ramesh Nibe *	18,16,477	17.43	5581606	53.57

\* Mrs. Manjusha Ganesh Nibhe and Mr. Ganesh Ramesh Nibe was appointed as the Directors on 07.02.2020 and Mrs. Sarika Shailesh Chandak and Mr. Shailesh Harish Chandak resigned from the directorship on 07.02.2020

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-



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

## VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time Directors, Executive Directors and Key Managerial Personnel

Sr. No.	Particulars of Remuneration	Mr. Shailesh Chandak- Managing Director # & CFO	Mrs. Sarika Chandak- Non- Executive Director\$	Mr. Ganesh Ramesh Nibe- Managing Director*	Mr. Hemant Dilip Wani- CFO*	Mr. Rakesh Narayan Todkari/ Rayyan Tajak Company Secretary and Compliance Officer*	Total Amount
1	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-	3,60,000	3,60,000				10,80,000



	taxAct, 1961						
2	Stock Option	-	-				-
3	Sweat Equity	-	-				-
4	Commission - as % of profit - Others specify...	-	-				-
5	Others please specify	-	-				-
6	Total (A)	3,60,000	3,60,000				10,80,000

Note:

*#Mr. Shailesh Chandak have resigned from the post of Managing Directorship and CFO w.e.f. 07.02.2020.*

*\$Mrs. Sarika Chandak have resigned from the post of Non-Executive Director w.e.f. 07.02.2020.*

*\* Mr. Ganesh Ramesh Nibe was appointed as the Director w.e.f. 07.02.2020*

*\*Mr. Hemant Dilip Wani was appointed as CFO w.e.f. 07.02.2020*

*\*Mr. Rakesh Narayan Todkari was appointed as the Company Secretary and Compliance Officer of the Company on 07.02.2020.*

#### B. Remuneration to Other directors:

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Govindlal Saboo (Independent Director)	Mr. Kishan Kumar Sarda (Independent Director)	Mr. Sanjay Shivajirao Dighe (Independent Director)*	Mr. Bhagwan Krishna Gadade (Independent Director)*	Mr. Shyamkant Sitaram Pawar (Independent Director)*	
1	Independent Directors  - Fee for attending board committee meetings  - Commission	-	-				-



Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Govindlal Saboo (Independent Director)	Mr. Kishan Kumar Sarda (Independent Director)	Mr. Sanjay Shivajirao Dighe (Independent Director)*	Mr. Bhagwan Krishna Gadade (Independent Director)*	Mr. Shyamkant Sitaram Pawar (Independent Director)*	
	- Others please specify						
2	Total(1)	-	-				-
3	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-	-				-
4	Total(2)	-	-				-
5	Total(B)=(1+2)	-	-				-
6	Total Managerial Remuneration	-	-				-

\* Mr. Sanjay Shivajirao Dighe, Mr. Bhagwan Krishna Gadade and Mr. Shyamkant Sitaram Pawar were appointed as the Independent Director w.e.f. 07.02.2020.

#### **VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**For and on behalf of the Board**  
**Nibe Limited** (Formerly known as Kavita Fabrics Limited)

**Date:** August 12, 2020  
**Place:** Surat

Sd/-  
**Ganesh Nibe**  
**(Managing Director)**  
**DIN: 02932622**





## ANNEXURE II

### NOMINATION AND REMUNERATION POLICY OF THE COMPANY

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Board of Directors of **NIBE LIMITED** (Formerly known as Kavita Fabrics Limited) ("the Company") re-constituted the "Nomination Committee" as "Nomination and Remuneration Committee" consisting of three (3) member Non- Executive Directors. The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. Objective and purpose of the Policy:

#### OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time). The Key Objectives of the Committee would be:

- I. To guide the Board and lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI. To devise a policy on Board diversity,
- VII. To develop a succession plan for the Board and to regularly review the plan.

The Nomination and Remuneration Policy has been formulated in order to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on May 27, 2014.

#### DEFINITIONS:

- I. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- II. "Board" means Board of Directors of the Company.
- III. "Directors" mean the Directors of the Company.
- IV. "Key Managerial Personnel" (KMP) means:
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole-time director;
  - Chief Financial Officer;
  - Company Secretary; and



- Such other officer as may be prescribed under the Act.

“Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors and KMPs, comprising of all members of management one level below the Executive Directors including Functional Heads.

#### **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of following Directors:

<b>Name</b>	<b>Position</b>
Mr. Sanjay Shivajirao Dighe *	Chairman (Independent, Non-executive)
Mr. Shyamkant Sitaram Pawar*	Member (Independent, Non-executive)
Mr. Bhagwan Krishna Gadade*	Member (Independent, Non-executive)
Mr. Govindlal Meghrajji Saboo#	Chairman (Independent, Non-executive)
Mr. Kishan Kumar Sarada#	Member (Independent, Non-executive)
Mrs. Sarika Shailesh Chandak#	Member (Non-Independent, Non-executive)

*\*Mr. Sanjay Shivajirao Dighe, Mr. Shyamkant Sitaram Pawar, Mr. Bhagwan Krishna Gadade was appointed as Independent Director w.e.f. 07.02.2020.*

*# Mr. Govindlal Meghrajji Saboo, Mr. Kishan Kumar Sarada, Mrs. Sarika Shailesh Chandak resigned from the directorship w.e.f. 07.02.2020.*

The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

#### **APPLICABILITY**

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### **ROLE OF COMMITTEE:**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

#### **➤ Appointment criteria and qualifications:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:



#### **a) Directors**

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

#### **b) Independent Directors**

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014

#### **c) Senior Management Personnel and KMP**

The Company has a hierarchy structure displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the hierarchy structure of the Company.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### **➤ Term / Tenure**

##### **a) Managing Director/Whole-time Director:**

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

##### **b) Independent Director:**

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### **➤ Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly)

##### **a) Criteria for evaluating Non-executive Board members:**



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Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

**b) Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel**

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

➤ **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

➤ **Retirement**

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

**REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

The remuneration to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

**SITTING FEES**

Board is empowered to fix the sitting fees for the Directors, however, the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time per meeting of the Board or Committee.

**COMMISSION**

Commission may be paid within the monetary limit approved by shareholders; subject to the limit not exceeding 1% of the profits of the Company computed as per the provisions of Section 197 the Companies Act, 2013.

**STOCK OPTIONS**

An Independent Director shall not be entitled to any stock option of the Company.

**MEMBERSHIP, FREQUENCY OF MEETINGS**

Chairperson of the Committee shall be an Independent Director. The Committee shall consist of a



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minimum 3 non-executive directors. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors. The meeting of the Committee shall be held at such regular intervals as may be required.

#### **MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minutised and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **COMMUNICATION OF THIS POLICY**

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and in the Annual Report of the Company.

#### **AMENDMENT**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

**For and on behalf of the Board  
Nibe Limited (Formerly known as Kavita Fabrics  
Limited)**

**Date:** August 12, 2020  
**Place:** Surat

**Sd/-  
Ganesh Nibe  
(Managing Director)  
DIN: 02932622**



## ANNEXURE III

**Form No. AOC-2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

1. **Details of contracts or arrangements or transactions not at arm's length basis: Nil**
  - a. **Name(s) of the related party and nature of relationship:** N.A.
  - b. **Nature of contracts/arrangements/transactions:** N.A.
  - c. **Duration of the contracts / arrangements/transactions:** N.A.
  - d. **Salient terms of the contracts or arrangements or transactions including the value, if any:** N.A.
  - e. **Justification for entering into such contracts or arrangements or transactions:** N.A.
  - f. **Date(s) of approval by the Board:** N.A.
  - g. **Amount paid as advances, if any:** N.A.
  - h. **Date on which the special resolution was passed in general meeting as required under first proviso to section 188:** N.A.
  
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
  - (A) **JOB WORK**
    - a. **Name(s) of the related party and nature of relationship:** Shiv Textiles (Proprietor of Shiv Textiles is Ms. Kavita Bajaj, Ms. Kavita Bajaj is daughter of Mr. Harish Chandak, Director and Sister of Mr. Shailesh Chandak, Director of the Company)
    - b. **Nature of contracts/arrangements/transactions:** Job Work in ordinary course of business and at arm's length price
    - c. **Duration of the contracts / arrangements/transactions:** Not Applicable
    - d. **Salient terms of the contracts or arrangements or transactions including the value, if any:** N.A.
  - e. **Date(s) of approval by the Board, if any:**
  - f. **Amount paid as advances, if any:** N.A.



**(B) FACTORY RENT**

- a. **Name(s) of the related party and nature of relationship:** Mr. Shailesh Chandak (Promoter-Director)
- b. **Nature of contracts/arrangements/transactions:** Factory Premises on Rent Agreement Renewed after every 11 Months on Leave and licence basis
- c. **Duration of the contracts / arrangements/transactions:** 11 Months on Leave and licence basis
- d. **Salient terms of the contracts or arrangements or transactions including the value, if any:** Agreement Renewed after every 11 Months
- e. **Date(s) of approval by the Board, if any:**
- f. **Amount paid as advances, if any:** N.A.

**(C) SALE OF GOODS AND MACHINERY AND RENT ON MACHINERY**

- g. **Name(s) of the related party and nature of relationship:** Kavita Creations [Mr. Shailesh Chandak (Promoter- Director) and Mr. Harish Chandak, (Director) are partners]
- h. **Nature of contracts/arrangements/transactions:** Sale of Goods And Machinery And Rent On Machinery
- i. **Duration of the contracts / arrangements/transactions:** Order basis
- j. **Salient terms of the contracts or arrangements or transactions including the value, if any:** NIL
- k. **Date(s) of approval by the Board, if any:**
- l. **Amount paid as advances, if any:** N.A.

**For and on behalf of the Board  
Nibe Limited (Foremrlly known as Kavita Fabrics Limited)**

**Date:** 12 th August, 2020  
**Place:** Surat

**Sd/-  
Ganesh Nibe  
(Managing Director)**



## ANNEXURE IV

### Form No. MR-3

#### Secretarial Audit Report for the financial year ended on March 31, 2020

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

To,  
The Members  
Nibe Limited  
(Formerly known as Kavita Fabrics Limited)  
[CIN: L34100GJ2005PLC046929]  
105, Balaji Industrial Society-1,  
Udhna Magdalla Road,  
Surat, Gujarat- 395007

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nibe Limited (Formerly known as Kavita Fabrics Limited)** hereinafter called ("the Company") for the financial year ended 31st March, 2020 ['Audit Period']. 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 as maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, explanation and clarification given and representation made during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records as maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the "Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;





- (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- 6. Laws specifically applicable to the Industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
  - (i) Trade Mark Act, 1999

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above except the following;

- (i) *The Company has not complied with the provisions of section 149 of the Companies Act, 2013 with regards to appointment and re-appointment of Independent Directors of the Company and during the period from June 25, 2019 to September 30, 2019, the composition of Board is not in accordance with the provision of regulation of 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*
- (ii) *The Company has not fully complied the provisions of regulation 27 (2) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- (iii) *The Company has not fully complied with clause 4 of the Schedule B of PIT Regulation, 2015 read with circular No. LIST/COMP/01/2019-20 dated April 2, 2019 of BSE.*

During the audit period, provisions of the following regulations were not applicable to the Company;

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

#### **Management and Auditor Responsibility:**

- (i) 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;
- (ii) We have followed the audit practices and the 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 provide a reasonable basis for our opinion;
- (iii) Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company; the same has not been uniformly possible in view of the prevailing lockdown.
- (iv) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted



- by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
- (v) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.;
  - (vi) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
  - (vii) Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practice;
  - (viii) 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.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except during the period from June 25, 2019 to September 30, 2019*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and there was no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of the Board or Committee thereof were carried out with requisite majority, while there were no recorded instances of dissent in Board or Committee meetings.

**We further report that** based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion system and process exists in the company required to be strengthened to commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

1. The existing promoters of the Company has been exited from the Company and has been taken over by Mr. Ganesh Nibe along with PAC vide public announcement dated July 12, 2019.
2. The Company has altered its name and object clause of Memorandum of Association (MOA) of the Company vides shareholders resolution dated March 13, 2020.

For **R M MIMANI & ASSOCIATES LLP**  
**[Company Secretaries]**  
[Firm Registration No.: I2001MH250300]

**Ranjana Mimani**  
**(Partner)**  
FCS : 6271  
CP No.: 4234

Place: Mumbai

Dated: August 21, 2020



## ANNEXURE V

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Nibe Limited  
(Formerly known as Kavita Fabrics Limited)  
[CIN: L34100GJ2005PLC046929]  
105, Balaji Industrial Society-1,  
Udhna Magdalla Road,  
Surat, Gujarat- 395007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nibe Limited (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

DIN	Name of the Board Member	Designation	Date of Appointment
2932622	Mr. Ganesh Ramesh Nibe	Managing Director	07/02/2020
5114706	Mrs. Manjusha Ganesh Nibe	Director	07/02/2020
5180259	Mr. Sanjay Shivajirao Dighe	Independent Director	07/02/2020
8686236	Mr. Bhagwan Krishna Gadade	Independent Director	07/02/2020
8686405	Mr. Shyamkant Sitaram Pawar	Independent Director	07/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For **R M MIMANI & ASSOCIATES LLP**

[Company Secretaries]

[Firm Registration No.: I2001MH250300]

Sd/-

**Ranjana Mimani**  
(Partner)

FCS No: 6271

CP No : 4234

Place: Mumbai

Dated: August 21, 2020

UDIN: F006271B000604981



## MANAGEMENT DISCUSSION AND ANALYSIS

This report covers the operations and financial performance of the Company for the year ended 31st March, 2020 and forms part of the Annual Report.

### **Overview of the Economy:**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's textile and apparel exports stood at US\$ 38.70 billion in FY19 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 22.95 billion in FY20 (up to November 2019).

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector at the other end of the spectrum. The de-centralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The company manufactures synthetic fabrics in the form of semi-finished sarees and dress materials. These products are offered in various designs as per customer requirements. Semi-finished sarees and dress materials manufactured by the Company are further processed by our customers before selling to the end-users. The main raw material for our product is man-made yarn, which is sourced from local markets. The Company based on its experience and its standards, conforms to major specifications and customer requirements.

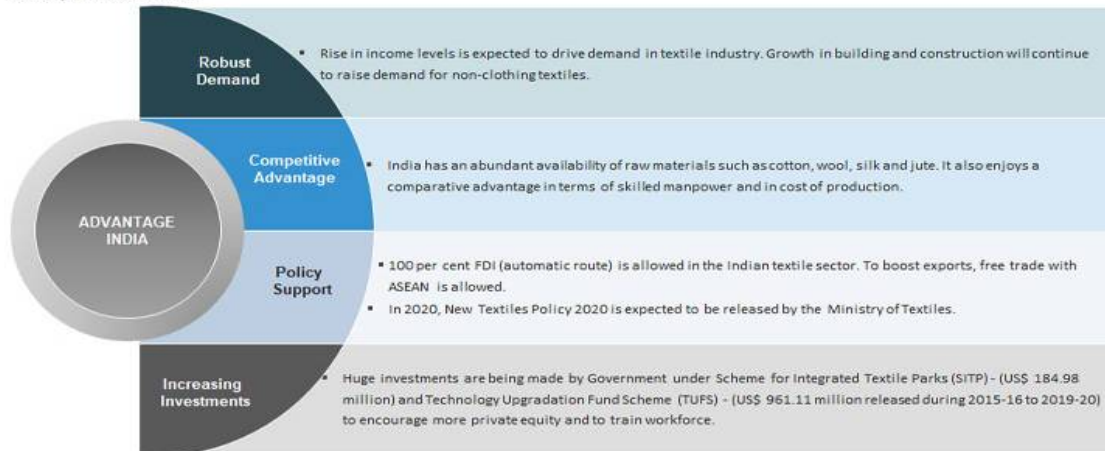
The Existing Promoter of the Company i.e. Ganesh Nibe and Manjusha Nibe entered into Share Purchase Agreement with the Erstwhile Promoters i.e. M/s Harish Bhagirath Chandak HUF, Mr. Om Prakash Madanlal Daga, Mr. Harish Bhagirath Chandak, M/s Shaileshkumar Harishkumar Chandak HUF, Mr. Shailesh Harish Chandak, Mrs. Sarika Shailesh Chandak to acquire 30,81,704 equity shares ("Sale Shares") constituting 29.58% of the equity share capital of the Company pursuant to which the Existing Promoter acquired the Control in the Company and now the Existing Promoter i.e. Ganesh Nibe and Manjusha Nibe have introduced a new segment of business in the company i.e. manufacturing, trading, buying, selling, assemblers, import, export, dealing in all types of electrical vehicles, E-vehicles.

### **Industry, Structure & Developments:**

#### **Business Segment 1- Textile**

## Textile Industry & Market Growth in India

Latest update: March, 2020



## Business Segment 2- Automobile

### Automobile Industry in India

Latest update: March, 2020



### Operational Performance

During the current period, The Company suffered a loss of Rs. 47,87,771 as compared to loss of Rs. 41,777 in the previous year.

### Outlook

The Indian government has also set up an ambitious target of having only EVs being sold in the country. The Ministry of Heavy Industries, Government of India, has shortlisted 11 cities in the country for introduction of EVs in their public transport system under the FAME scheme. The first phase of the scheme was extended to March 2019 while in February 2019, the government approved FAME-II scheme with a fund requirement of Rs 10,000 crore (US\$ 1.39 billion) for FY20-22. Under



Union Budget 2019-20, government announced to provide additional income tax deduction of Rs 1.5 lakh (US\$ 2146) on the interest paid on the loans taken to purchase EVs.

EV sales, excluding e-rickshaws, in India witnessed a growth of 20 per cent and reached 1.56 lakh units in FY20 driven by two wheelers.

The government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investment by 2023.

#### **Adequacy of Internal Control System**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

#### **Human Resource Development**

The Company recognizes that its human resource is its strength in realizing its goals and objectives.

#### **Cautionary Statement**

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand-supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events

**For and on behalf of the Board**  
**Nibe Limited (Formerly known as Kavita Fabrics**  
**Limited)**

**Date:** August 12, 2020  
**Place:** Surat

Sd/-  
**Ganesh Nibe**  
**(Managing Director)**



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## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance pursuant to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) for the financial year ended 31<sup>st</sup> March 2020.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

Transparency and accountability are the two basic tenets of Corporate Governance. The Company's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. Responsible corporate conduct is integral to the way we do our business. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

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

Details of board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

### 2. BOARD OF DIRECTORS

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

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



### **Composition**

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and direct, supervises and controls the performance of the Company. The present strength of Board of Directors is 5 (Five), whose composition and category is given below:

- Two - Executive Director
- Three - Non-Executive Independent Directors

The composition of the Board also complies with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

#### **A) Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31st March 2020**

S r. N o.	Directors	Category	Date of joining the Board/ Reappoi ntment	Direct orship in Other Comp anies <sup>#</sup>	No. of Committee positions held in other companies		No. of Committee positions held in Nibe Limited	
					Me mbe r	Chai rman	Me mbe r	Chai rman
1	Mr. Ganesh Ramesh Nibe	Managing Director- (Appointed on 07.02.2020)	07.02.20 20	0	0	0	1	0
2	Mrs. Manjusha Ganesh Nibe	Executive Director- (Appointed on 07.02.2020)	07.02.20 20	0	0	0	0	0
3	Mr. Sanjay Shivajirao Dighe	Independent Director - (Appointed on 07.02.2020)	07.02.20 20	0	0	0	3	2
4	Mr. Bhagwan Krishna Gadade	Independent Director- (Appointed on 07.02.2020)	07.02.20 20	0	0	0	2	0
5	Mr. Shyamkant Sitaram Pawar	Independent Director- (Appointed on 07.02.2020)	07.02.20 20	0	0	0	3	1
6	Mr. Shailesh Harish Chandak	Managing Director- (Resigned on 07.02.2020)	18-10- 2005	0	0	0	0	0
7	Mrs. Sarika Shailesh Chandak	Non- Executive Non Independent Director- (Resigned on 07.02.2020)	05-09- 2019	0	0	0	0	0
8	Mr. Govindlal Meghrajji Saboo	Independent Director- (Resigned on 07.02.2020)	30-09- 2019	0	0	0	0	0
9	Mr. Kishan Kumar Sarda	Independent Director- (Resigned on	30-09- 2019	0	0	0	0	0





S r. N o.	Directors	Category	Date of joining the Board/ Reappoi ntment	Direct orship in Other Comp anies <sup>#</sup>	No. of Committee positions held in other companies		No. of Committee positions held in Nibe Limited	
					Me mbe r	Chai rman	Me mbe r	Chai rman
		07.02.2020)						

*# Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.*

None of the Directors hold directorship in more than 20 Companies nor is a member in more than ten committees or acts as chairman of more than 5 committees across all the companies in which they are Directors. Hence the number of Directorships, Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations).

#### **B) Appointment and Tenure**

The Directors of the Company are appointed by Members at the General Meetings. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 1956/ Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations.

The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and Listing Regulations.

#### **C) Board Meetings**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. Meetings of the Board are held in Surat. The Agenda of the Board / Committee meetings is set by the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31<sup>st</sup> March, 2020, Eight Board meetings were held on 13.04.2019, 30.05.2019, 11.07.2019, 13.08.2019, 05.09.2019, 11.11.2019, 07.02.2020 and 23.03.2020. The



maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

**Attendance of each Director at the Board Meetings and the last Annual General Meeting:**

Sr. No.	Name of the Directors	Category of Directorship	No. of Board Meeting Attended in the FY 2019-20	Attendance at the Last AGM held on 30.09.2019
1.	Mr. Shailesh Chandak*	Managing Director (Appointed as the Managing Director in the AGM held on 30.09.2019) (Resigned w.e.f. 07.02.2020)	7	Present
2.	Mrs. Sarika Chanda*	Non- Executive Director (Resigned w.e.f. 07.02.2020)	7	Present
3.	Mr. Govindlal Saboo*	Independent Director (Resigned w.e.f. 07.02.2020)	7	Present
4.	Mr. Kishan Kumar Sarda*	Independent Director (Resigned w.e.f. 07.02.2020)	7	Present
5.	Mr. Harish Chandak <sup>#</sup>	Executive Director	5	Present
6.	Mr. Ganesh Ramesh Nibe <sup>s</sup>	Managing Director (Appointed w.e.f. 07.02.2020)	1	NA
7.	Mrs. Manjusha Ganesh Nibe	Executive Director & Chairman (Appointed w.e.f. 07.02.2020)	1	NA
8.	Mr. Sanjay Shivajirao Dighe	Independent Director (Appointed w.e.f. 07.02.2020)	1	NA
9.	Mr. Bhagwan Krishna Gadade	Independent Director (Appointed w.e.f. 07.02.2020)	1	NA
10.	Mr. Shyamkant Sitaram Pawar	Independent Director (Appointed w.e.f. 07.02.2020)	1	NA

\*Resigned on 07.02.2020

<sup>#</sup> Mr. Harish Chandak have resigned from the post of Managing Directorship w.e.f. September 05, 2019

**C) Board Procedure**

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of a Director in Board / Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

**D) Directors' Induction and Familiarization**

At the time of appointing a Director, a formal letter of appointment is given. The Directors are familiarized with the History, Vision and Mission of the Company and also explained in details the compliances required from them under Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations. The Managing Director also has a one-to-one discussion with the newly appointed Director. The above initiative helps the Director to understand the Company, its business



and the regulatory framework in which the Company operates and equips them to effectively fulfill his role as a Director of the Company.

#### E) Reappointment of Directors:

Mrs. Manjusha Nibe, Executive Director retires at the ensuing Annual General Meeting and is being eligible to offer herself for re-appointment at the ensuing Annual General Meeting.

### 3. COMMITTEES OF THE BOARD:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has established the following statutory and non-statutory Committees.

#### a) Audit Committee:

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of SEBI (LODR) Regulations, 2015. The Audit Committee of the Company acts as a supervisor to the Accounting system of the Company which it reports to the Board of Directors of the Company.

Name of Director	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Nitin Maheshwari*	Chairman	Non-Executive and Independent	6	2
Mr. Kishan Kumar Sarda*	Member	Non-Executive and Independent	6	5
Mr. Shailesh Chandak*	Member	Managing Director	6	5
Mr. Govindlal Saboo^	Chairman	Non-Executive and Independent	6	3
Mr. Shyamkant Sitaram Pawar#	Chairman	Non-Executive and Independent	6	1
Mr. Sanjay Shivajirao Dighe#	Member	Non-Executive and Independent	6	1
Mr. Ganesh Ramesh Nibe#	Member	Executive Director	6	1

\* Mr. Nitin Maheshwari resigned from the office of Director w.e.f. 05.09.2019 and Mr. Kishan Kumar Sarda and Mr. Shailesh Chandak resigned from the office of Director w.e.f. 07.02.2020.



<sup>^</sup> Mr. Govindlal Saboo was appointed as the Chairman of the Audit Committee in the Board Meeting dated 05.09.2019 and resigned on 07.02.2020 from his Directorship.

<sup>#</sup> Appointed w.e.f. 07.02.2020.

During the year ended 31st March, 2020, 6 Audit Committee Meeting was held on the following dates: 29.05.2019, 12.08.2019, 04.09.2019, 11.11.2019, 06.02.2020 and 23.03.2020.

Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the company with the Stock Exchanges.

**Terms of reference of the audit committee are broadly defined as under:**

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of SEBI (LODR) Regulations, 2015. The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations.

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

**b) Nomination & Remuneration Committee**

As per Section 178 (1) of the Companies Act, 2013, Our Company has constituted a Nomination & Remuneration Committee. The members of the said committee are:

Name of Director	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Nitin Maheshwari*	Chairman	Non-Executive and Independent	4	2
Mr. Kishan Kumar Sarda*	Member	Non-Executive and Independent	4	4
Mr. Govindlal Meghrajji Saboo*	Member	Non-Executive and Independent	4	4
Mrs. Sarika Chandak <sup>#</sup>	Member	Non-Executive Director	4	2
Mr. Sanjay Shivajirao Dighe <sup>§</sup>	Chairman	Non-Executive and Independent	4	0
Mr. Shyamkant Sitaram Pawar <sup>§</sup>	Member	Non-Executive and Independent	4	0
Mr. Bhagwan Krishna Gadade <sup>§</sup>	Member	Non-Executive and Independent	4	0

\* Mr. Nitin Maheshwari resigned from the office of Director w.e.f. 05.09.2019 and Mr. Kishan Kumar Sarda and Mr. Govindlal Meghrajji Saboo resigned from the office of Director w.e.f. 07.02.2020.

<sup>#</sup> Mrs. Sarika Chandak was appointed as the Member of the b) Nomination & Remuneration Committee in the Board Meeting dated 05.09.2019 and resigned on 07.02.2020 from his Directorship.

<sup>§</sup> Appointed w.e.f. 07.02.2020.



**Terms of reference of the Nomination & Remuneration Committees are broadly defined as under:**

The Committee's terms of reference powers, role and functions are as stipulated under Section 178 of The Companies Act, 2013 and Regulation 19 of the Listing Regulation, which are as followed:

- I. To guide the Board and lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI. To devise a policy on Board diversity,
- VII. To develop a succession plan for the Board and to regularly review the plan.

During the year ended 31st March, 2020, 4 Nomination & Remuneration Committee Meeting was held on 13.04.2019, 11.07.2019, 04.09.2019 and 06.02.2020.

**c) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders/ investors complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend, etc.

Members of the committee as on March 31, 2020 are as under:

Name of Director	Designation in Committee	Nature of Directorship	Total Meetings Held during the Year	Meetings Attended by the Member
Mr. Kishan Kumar Sarda*	Chairman	Non-Executive and Independent	2	2
Mr. Nitin Maheshwari*	Member	Non-Executive and Independent	2	1
Mr. Shailesh Chandak*	Member	Managing Director	2	1
Mr. Govindlal Saboo*	Member	Non-Executive and Independent	2	1
Mrs. Sarika Chandak*	Member	Non-Executive Director	2	1
Mr. Sanjay Shivajirao Dighe <sup>\$</sup>	Chairman	Non-Executive and Independent	2	0
Mr. Shyamkant Sitaram Pawar <sup>\$</sup>	Member	Non-Executive and Independent	2	0
Mr. Bhagwan Krishna Gadade <sup>\$</sup>	Member	Non-Executive and Independent	2	0

\*Mr. Nitin Maheshwari resigned from the office of Director w.e.f. 05.09.2019 and Mr. Kishan Kumar Sarda, Mr. Shailesh Chandak and Mr. Govindlal Saboo resigned from the office of Director w.e.f. 07.02.2020.



<sup>§</sup>Appointed w.e.f. 07.02.2020.

The Stakeholders Relationship Committee met 2 time during the financial year ended 31st March, 2019 on 04.09.2019 and 06.02.2020.

**Terms of reference of the Stakeholders Relationship Committee are broadly defined as under:**

To resolve the complaints and grievances of the investors/stakeholders and to function in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly.

**Name, Designation and address of the Compliance Officer:**

**Mr. Rayyan Tajak\***

105, Balaji Industrial Society - 1,

Udhna Magdalla Road,

Surat – 395007, Gujarat, India

Tel: +91 – 261 – 3018 759, Fax: +91 – 261 - 3018 759

Email: [info@nibelimited.com](mailto:info@nibelimited.com), Website: [www.nibelimited.com](http://www.nibelimited.com)

\*Appointed on 07.07.2020

**Details of Shareholders' / Investors' Complaints during the FY ended 31<sup>st</sup> March 2020.**

Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints resolved during the year	Nil
Number of Shareholders' Complaints Pending at the end of the year	Nil

**d) Risk Management Committee**

Constituting Risk Management Committee is not applicable to our Company.

**e) Policy on material subsidiary**

Company does not have a material subsidiary and hence the Company is not required to formulate policy on material subsidiary.

**f) Policy on Related party transactions**

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations. The details of the policy have been disclosed on company's website [www.nibelimited.com](http://www.nibelimited.com). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.



#### **g) Independent Directors' Meeting**

During the year under review, the Independent Directors met on March 31, 2020, inter alia, to discuss and review:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **4. POLICY ON DISCLOSURE AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

Mr. Rakesh Narayan Todkari, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

#### **5. SHAREHOLDER INFORMATION**

##### **A. Annual General Meetings:**

The details of date, time and location of annual general meetings of last two years are as under:

<b>Year</b>	<b>Date of AGM</b>	<b>Day</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolution</b>
2018-19	30.09.2019	Monday	10.00 A.M.	105, Balaji Industrial Society-1, Udhna Magdalla Road, Surat 395007	Yes
2017-18	30.09.2018	Sunday	11.00 A.M.	105, Balaji Industrial Society-1, Udhna Magdalla Road, Surat 395007	Yes

##### **B. Postal Ballot**

No resolution was passed through the postal ballot during F. Y. 2019-20.

##### **C. Annual General Meeting for the financial year 2019-20**

<b>Date</b>	September 18, 2020
<b>Venue</b>	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
<b>Time</b>	2.30 P.M.

##### **D. Calendar of financial year ended 31st March, 2020**

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2020 were held on the following dates:



<b>First Quarter</b>	13.08.2019
<b>Second Quarter</b>	11.11.2019
<b>Third Quarter</b>	07.02.2020
<b>Fourth Quarter</b>	30.06.2020

**E. Bifurcation of shares held in physical and demat form as on 31st March, 2020**

Particulars	No. of Shares	%
Physical Shares	0	0
<b>Demat Shares</b>		
NSDL (A)	6,842,466	65.68
CDSL (B)	3,576,240	34.32
Total (A+B)	1,04,18,706	100.00
<b>TOTAL</b>	<b>1,04,18,706</b>	<b>100.00</b>

**F. Listing Details**

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)* Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	KFL
ISIN	INE149O01018

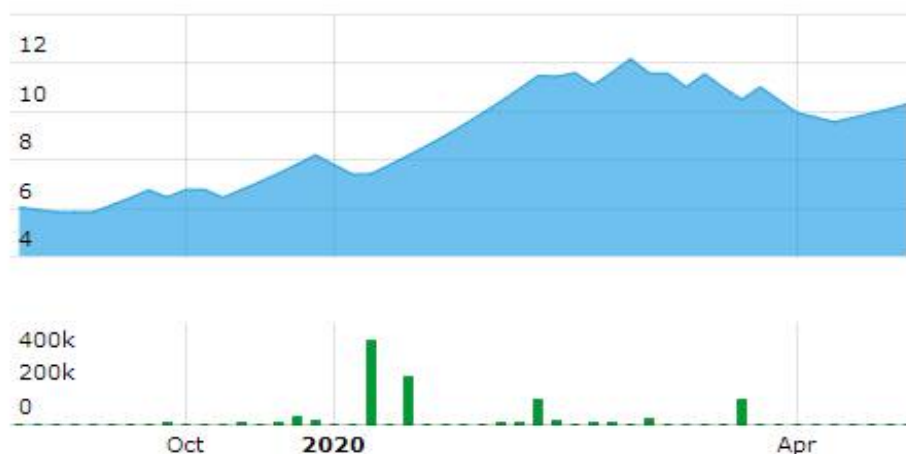
The listing fee for the financial year 2020-21 has been paid to the above Stock Exchanges.

**G. Share Price Data**

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2020 are as under:

Month	BSE		Shares Volume
	High Price	Low Price	
Jul-19	6.44	5.85	9765
Sep-19	6.76	6.45	10764
Oct-19	7.11	6.45	20317
Nov-19	7.45	7.1	6200
Dec-19	8.21	7.82	70000
Jan-20	12.05	7.41	985305
Feb-20	12.78	11.1	58214
Mar-20	11.58	10.45	153804
Apr-20	9.95	9.76	530
May-20	9.57	9.57	1
Jun-20	10.32	9.75	5300





#### H. Share holding pattern of the Company as on 31.03.2020:

Sr.	Category	No. of Shares	% (Percentage)
1.	Promoters (Including Promoters Body Corporate)	60,91,606	58.47
2.	Body Corporate (Public)	2017079	19.36
3.	Resident Individuals and HUF (Public)	2305021	22.12
4.	Non-Resident Indian (NRI)	5,000	0.05
	<b>TOTAL</b>	<b>1,04,187,06</b>	<b>100.00</b>

#### I. Distribution of Shareholding as on 31.03.2020:

No. of Shares held	No. of Shareholders	%	No. of Shares	% of Total Capital
1 to 5000	64	60.95%	52408	0.47%
5001 to 10000	15	14.28%	141913	1.39%
10001 to 20000	4	3.81%	62900	0.59%
20001 to 30000	3	2.86%	80186	0.77%
30001 to 40000	2	1.91%	76000	0.73%
40001 to 50000	0	0.00%	0	0.00%
50001 and 100000	3	2.86%	233533	2.24%
100001 onwards	14	13.33%	9771766	93.79%
<b>Total</b>	<b>105</b>	<b>100%</b>	<b>10418706</b>	<b>100%</b>

#### J. Share Transfer System:

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Bigshare Services Private Limited Handles both Demat and Physical Shares Transfers.



The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

**K. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity. :-**

Nil

**L. Plant Locations :-**

105, Balaji Industrial Society -1, Udhna Magdalla Road, Surat - 395007

**M. ADDRESS FOR CORRESPONDENCE :-**

**NIBE LIMITED (Formerly known as Kavita Fabrics Limited)**

105, Balaji Industrial Society -1,  
UdhnaMagdalla Road, Surat- 395007,  
Gujarat, India

Tel: +91 – 261 – 3018 759; Fax: +91 – 261 - 3018 759;

Email: [info@nibelimited.com](mailto:info@nibelimited.com); Website: [www.nibelimited.com](http://www.nibelimited.com)

**REGISTRAR AND SHARE TRANSFER AGENT:**

**Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai - 400 059.

Tel: +91 – 22 – 4043 0200; Fax: +91 – 22 – 2847 5207

Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com); Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**N. DISCLOSURES:**

**a) Related Party Transaction:**

Details are as mentioned in Form AOC 2 which forms part of Directors Report.

**b) Statutory Compliance, Penalties and Strictures:**

The Company has complied with all the requirements of the listing agreements with the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, stock exchanges or any Statutory Authorities on matters relating to capital markets during the last three years.

The Company has followed all relevant accounting standards notified by the Companies Accounting Standards Rules 2006 and relevant provisions of the Companies Act, 2013 while preparing its financial statements.

**c) Whistle Blower Policy:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees



may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**d) Reconciliation of Share Capital Audit:**

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

**e) Compliance with mandatory requirements of Corporate Governance**

The Company has complied with the mandatory requirements SME Listing Agreement / Regulation 27 of SEBI (LODR) Regulations, 2015 and submits on quarterly/yearly basis the Corporate Governance reports to the concerned Stock Exchanges.

The provisions of regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR), Regulations, 2015 are fully complied with, to the extent applicable to the Company. All the mandatory disclosure as required in term of the provisions of SEBI (LODR), Regulations, 2015 are disclosed in this report.

**f) CEO / CFO CERTIFICATE:**

Appropriate certification as required under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

**g) Means of Communication**

Quarterly, and Annual results of the Company are published in newspapers such as Financial Express (Gujarati) and Financial Express (English). These results are promptly submitted to the BSE Limited. The Company's results and press releases are available on the Company's website [www.nibelimited.com](http://www.nibelimited.com)

**h) Disclosure of Risk Management**

Our risk management process is overseen by the Board of Directors. Our risk management approach and practices continued to focus on minimizing the adverse impact of risks on our business objectives and to enable the Company to leverage market opportunities based on risk-return parity.

**i) Further the company adopted the following discretionary requirements under Regulation 27 (1) of SEBI (LODR), Regulations, 2015**

• **The Board**

No separate office was maintained by the Chairman of the Company

No separate office was maintained by the present Managing Director of the Company.

• **Modified opinions in audit report**

Not applicable since there is no qualification in the audit reports

• **Reporting of Internal Auditors**

The Internal Auditors directly reported to the Audit Committee

• **Shareholders' Right:**

Quarterly or half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company. The Company has posted its half yearly and annual financial results on its website i.e. [www.nibelimited.com](http://www.nibelimited.com). Quarterly, Half-Yearly and



Annual results of the Company are published in newspapers such as Financial Express (Gujarati) and Financial Express (English).

**DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE CODE OF CONDUCT**

In accordance with Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2020.

**For and on behalf of the Board  
Nibe Limited (Formerly known as Kavita Fabrics Limited)**

**Place: Surat  
Dated: 30<sup>th</sup> June, 2020**

**Sd/-  
Ganesh Nibe  
(Managing Director)**

**CEO / CFO CERTIFICATION**

**CEO / CFO certification for Preparation of Financial Statements on Standalone Basis  
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

**To,  
The Board of Directors,  
Nibe Limited (Formerly known as Kavita Fabrics Limited)**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Nibe Limited (**Formerly known as Kavita Fabrics Limited**) ('the Company'), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement prepared for the financial year ended on 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.



- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) There are no significant changes in internal control over financial reporting during the year;
  - (ii) There are no changes in accounting policies during the year requiring disclosure in the notes to financial statements; and
  - (iii) There are no instances of significant fraud in the company's internal control system over financial reporting.

**For Nibe Limited (Formerly known as Kavita Fabrics Limited)**

Sd/-

Sd/-

**Date: 30<sup>th</sup> June, 2020**

**Place: Surat**

**Ganesh Nibe  
Managing Director**

**Hemant Wani  
Chief Financial Officer**



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**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE****INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of  
Nibe Limited  
(Formerly known as Kavita Fabrics Limited)**

We, have examined the compliance of conditions of Corporate Governance by **Nibe Limited** (Formerly known as Kavita Fabrics Limited) (“**the Company**”), for the year ended on **31<sup>st</sup> March, 2020**, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

**Managements’ Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor’s Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the “ICAI”), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

**Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2020.

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

**For R T Jain & Co LLP  
Chartered Accountants  
FRN : 103961W / W100182**

**Sd/-  
(CA Bankim Jain)  
Partner  
Mem No. : 139447**

**Surat, June 30th, 2020**



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## Independent Auditor's Report

To the Members of

**Nibe Limited (formerly known Kavita Fabrics Limited)**

### Report on the Audit of Ind AS financial statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Nibe Limited (formerly known Kavita Fabrics Limited)** ("the Company"), which comprise the balance sheet as at March 31, 2020, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS & accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2020; and
- b) in the case of the statement of profit and loss, of the loss including other comprehensive income for the year ended on that date.
- c) in the case of the statement of cash flows, of the cash flows for the year ended on that date.
- d) in the case of the statement of changes in equity, of the changes in equity share capital and other equity for the year ended on that date.

#### Basis for Opinion

We have conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Ind AS financial statements' section of our report. We are independent of the company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Other Information



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The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report, but does not include the Ind AS financial statements and our Auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors Responsibility for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs





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will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 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 purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the balance sheet, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) on the basis of written representations received from the directors as on 31 March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **“Annexure B”**.
  - g) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h) with respect to the other matters to be included in Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;



- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. The Company was not required to transfer any amount to Investor Education and Protection Fund,

For R T Jain & Co LLP  
Chartered Accountants  
FRN : 103961W / W100182

(CA Bankim Jain)  
Partner  
Mem No. : 139447  
UDIN: 20139447AAAACD2211

Mumbai, June 30, 2020

#### **Annexure A to the Independent Auditors' Report**

##### **Referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i.(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanation received by us, as the company owns no immovable property, the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable.
- ii. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and on the basis of our examination of the records, no material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan to any



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associate concern covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. The company has not given any loans, made any investments or provided any guarantee and security to under section 185 and section 186 of Companies Act, 2013.

v. In our opinion, the company has not accepted any deposits within the meaning of Rule 2 (b) of Companies (Acceptances of Deposits) Rules, 2014.

vi. According to the information and explanations provided by the management, no cost records have been prescribed under section 148(1) of the Companies Act, 2013 to be maintained by the Company.

vii.(a) According to the records of the company, undisputed statutory dues including Income-tax, Goods and Service Tax, Custom Duty, to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there are no outstanding statutory dues as on 31<sup>st</sup> of March, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, goods and service tax, sales tax, customs duty which have not been deposited on account of any disputes.

viii. Based on our audit procedures and the information and explanations given by the management, the company is not having any loan from financial institution, bank or debenture holder so we are of the opinion that, no defaults in repayment of loans to any financial institution, bank or debenture holders has occurred.

ix. Based on records of the company, the company has neither raised any moneys by way of Initial Public Offer or Further Public Offer or term loan during the year.

x. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

xi. According to information and explanations given to us, in our opinion, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a nidhi company. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

xiii. Based on our audit procedures and on the information given by the management, the company has complied with the sections 177 and 188 of the Companies Act, 2013 for all the transactions with the related parties and the details of such transactions have been



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properly disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment of shares during the year to parties covered in the register maintained under section 189 of the Companies Act, 2013.

xv. The company has not entered into any non-cash transactions with directors of the company or its subsidiary or persons connected with them.

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

For R T Jain & Co LLP  
Chartered Accountants  
FRN : 103961W/W100182

(CA Bankim Jain)  
Partner  
Mem No. : 139447  
UDIN: 20139447AAAACD2211

Mumbai, June 30, 2020



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## **Annexure - B to the Auditors' Report**

### **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 **Nibe Limited (formerly known Kavita Fabrics Limited)** ("the Company") as of March 31, 2020 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



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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, 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, 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 31<sup>st</sup> March, 2020, based on the criteria for internal financial control over financial reporting 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 R T Jain & Co LLP  
Chartered Accountants



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FRN : 103961W/W100182

(CA Bankim Jain)

Partner

Mem No. : 139447

UDIN: 20139447AAAACD2211

Mumbai, June 30, 2020





**NIBE LIMITED**  
(formerly known as Kavita Fabrics Limited)  
**BALANCE SHEET AS AT 31ST MARCH 2020**

(Amt. in Rs.)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	2	65,351	196,915
(b) Financial Assets			
(i) Investments	3	-	840,300
(ii) Loans	4	12,553,011	37,155,284
(c) Deferred Tax Assets	5	55,346	169,165
(d) Other Non Current Assets	6	22,623,800	5,500,000
<b>(2) Current Assets</b>			
(a) Inventories	7	60,984,671	27,789,057
(b) Financial Assets			
(i) Investments	8	-	4,294,751
(ii) Trade receivables	9	4,738,715	26,462,708
(iii) Cash and cash equivalents	10	234,509	390,137
(iv) Other Financial Asset	11	1,499,990	4,588,096
(c) Current Tax Asset	12	432,387	260,880
<b>TOTAL</b>		<b>103,187,779</b>	<b>107,647,292</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	13	104,187,060	104,187,060
(b) Other Equity	14	(1,199,884)	2,877,879
<b>(2) Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	-	-
(ii) Trade Payables	15	60,477	-
(iii) Other Financial Liabilities			
(b) Other Current Liabilities	16	140,125	210,554
(c) Provisions	17	-	371,798
(d) Current Tax Liabilities		-	-
<b>TOTAL</b>		<b>103,187,779</b>	<b>107,647,292</b>
Significant Accounting Policies			
1			
<i>The accompanying notes form an integral part of financial statements.</i>			
As per our report of even date			
<b>FOR R T JAIN &amp; CO LLP</b>		<b>For and on behalf of the Board</b>	
<b>CHARTERED ACCOUNTANTS</b>			
<b>(FRN NO. 103961W/W100182)</b>			
		<b>GANESH RAMESH NIBE</b>	<b>MANJUSHA GANESH NIBE</b>
		(Director)	(Director)
		DIN - 02932622	DIN - 05114706
<b>CA BANKIM JAIN</b>			
<b>PARTNER</b>			
<b>M No-139447</b>			
<b>UDIN:</b>		<b>RAKESH NARAYAN TODKARI</b>	<b>HEMANT DILIP WANI</b>
		(CS)	(CFO)

Mumbai, June 30, 2020

NASHIK, June 30, 2020



## NIBE LIMITED

(formerly known as Kavita Fabrics Limited)

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amt. in Rs.)

Sr. No	Particulars	Note No.	2019-20	2018-19
	<b>INCOME</b>			
I	Revenue from operations	18	14,425,157	19,117,852
II	Other Income	19	2,808,513	3,904,884
III	<b>Total Revenue</b>		<b>17,233,670</b>	<b>23,022,736</b>
	<b>EXPENDITURE</b>			
IV	Cost of Material Consumed	20	-	4,454
	Purchase of Stock in Trade		47,075,394	-
	Changes in Inventory of Finished Goods, Stock in Trade and Work in Progress	21	(33,195,614)	20,276,947
	Employee Benefits Expenses	22	1,174,788	1,143,141
	Financial Costs	23	71,794	47,685
	Depreciation and Amortization Expense	24	51,331	422,620
	Other Expenses	25	6,604,151	903,222
	<b>Total Expenses</b>		<b>21,781,843</b>	<b>22,798,070</b>
V	<b>Profit before tax</b>		<b>(4,548,173)</b>	<b>224,666</b>
VI	<b>Tax expense:</b>	26		
	(1) Current tax		125,778	175,250
	(2) Deferred tax (liability) / asset		113,819	(9,756)
	(3) Previous Year Tax Adjustment		-	100,949
VII	<b>Profit/(Loss) for the year</b>		<b>(4,787,771)</b>	<b>(41,777)</b>
VIII	<b>Other Comprehensive Income / (Loss)</b>			
	Item that will not be subsequently reclassified to profit or loss		-	-
	Income tax effect relating to items that will not be subsequently reclassified to profit or loss:		-	-
	Item that may be subsequently reclassified to profit or loss		-	(710,008)
	Income Tax relating to Item that will be subsequently reclassified to profit or loss		-	-
	<b>Total Other Comprehensive Income / (Loss) of the year</b>		<b>-</b>	<b>(710,008)</b>
IX	<b>Total Comprehensive Income / (Loss) of the year</b>		<b>(4,787,771)</b>	<b>(751,785)</b>
X	<b>EPS (face value of Rs. 10/- each) Basic and Diluted (Rs)</b>	27	<b>(0.4595)</b>	<b>(0.0040)</b>
<p>Significant Accounting Policies <span style="float: right;">1</span>  <i>The accompanying notes form an integral part of financial statements.</i>  As per our report of even date</p>				
<b>FOR RT JAIN &amp; CO LLP</b> <b>CHARTERED ACCOUNTANTS</b> <b>(FRN NO. 103961W/W100182)</b>		<b>For and on behalf of the Board</b>		
<b>CA BANKIM JAIN</b> <b>PARTNER</b> <b>M No-139447</b> <b>UDIN:</b>		<b>GANESH RAMESH NIBE</b> <b>(Director)</b> <b>DIN - 02932622</b>	<b>MANJUSHA GANESH NIBE</b> <b>(Director)</b> <b>DIN - 05114706</b>	
		<b>RAKESH NARAYAN TODKARI</b> <b>(CS)</b>	<b>HEMANT DILIP WANI</b> <b>(CFO)</b>	
<b>Mumbai, June 30, 2020</b>		<b>NASHIK, June 30, 2020</b>		



**NIBE LIMITED**  
(formerly known as Kavita Fabrics Limited)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

(Amt. in Rs.)

Particulars	March 31,2020	March 31,2019
<b>Cash flow from operating activities:</b>		
Net Profit before tax as per Profit And Loss A/c	(4,548,173)	224,666
<b>Adjusted for:</b>		
Depreciation & Amortisation	51,331	422,620
Assets written off	-	2,507
Interest & Finance Cost	71,794	47,685
Interest Income	(2,803,250)	(2,900,002)
Profit on sale of fixed asset	(4,765)	(320,192)
Opening balance of OCI transferred to Profit and Loss A/c	710,008	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(6,523,056)</b>	<b>(2,522,715)</b>
Adjusted for (Increase)/ Decrease in:		
-Inventories	(33,195,614)	20,276,947
-Trade receivables	21,723,993	(9,048,304)
-Short-term loans and advances	-	578,261
-Other Non Current Asset	(17,123,800)	-
-Other Current Asset	(171,507)	(46,711)
-Other financial assets	3,088,106	15,203
-Trade payables	60,477	(883,438)
-Provisions	(371,798)	(524,105)
-Other Current Liabilities	(70,430)	(410,744)
<b>Cash Generated From Operations</b>	<b>(32,583,629)</b>	<b>7,434,394</b>
Direct Tax Paid	(125,778)	(276,199)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(32,709,408)</b>	<b>7,158,195</b>
<b>Cash Flow From Investing Activities:</b>		
Sale / (Purchase) of Fixed Assets	85,000	2,114,999
Sale of Non Current investment	840,300	-
Sale / (Purchase) of Current Investment	4,294,751	(5,004,759)
Long Term Loans and Advances given	24,602,273	(11,941,591)
Interest Income	2,803,250	2,900,002
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>32,625,574</b>	<b>(11,931,348)</b>
<b>Cash Flow from Financing Activities:</b>		
Proceeds from Long Term Borrowings	-	-
Proceeds from Short Term Borrowings	-	(5,927)
Interest & Financial Charges	(71,794)	(47,685)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(71,794)</b>	<b>(53,612)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	<b>(155,628)</b>	<b>(4,826,766)</b>
Cash & Cash Equivalents As At Beginning of the Year	390,137	5,216,903
Cash & Cash Equivalents As At End of the Year	<b>234,510</b>	<b>390,137</b>

*The accompanying notes form an integral part of financial statements.*

As per our report of even date

**FOR R T JAIN & CO LLP**

**CHARTERED ACCOUNTANTS**

**(FRN NO. 103961W/W100182)**

For and on behalf of the Board

**CA BANKIM JAIN**

**PARTNER**

**M No-139447**

**UDIN:**

**Mumbai, June 30, 2020**

**GANESH RAMESH NIBE**

(Director)

DIN - 02932622

**MANJUSHA GANESH NIBE**

(Director)

DIN - 05114706

**RAKESH NARAYAN TODKARI**

(CS)

**HEMANT DILIP WANI**

(CFO)

**NASHIK, June 30, 2020**



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## Notes forming part of the Ind AS Financial Statements

### CORPORATE INFORMATION

NIBE LIMITED (FORMERLY KNOWN AS KAVITA FABRICS LIMITED) was incorporated in the year 2005 as a private company. Subsequently In 2012, it was converted into a public company. The Company is in the business of trading of fabrics from man-made yarns by using weaving technology in the form of semi-finished sarees and dress materials. The Company has been acquired by new management through open offer of shares in March 2020.

### NOTE 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### Basis of Measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including financial instruments which have been measured at fair value as described below:

-Certain asset and liabilities measured at fair value.

#### Fair value measurement

The Company measures financial instruments, such as, equity shares at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. 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 minimizing 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 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.

## **NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES**

The Company has applied following accounting policies in the Ind AS Financial Statement.

### **a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Revenues from sale of byproducts are included in revenue.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised at the agreed rate on time proportion basis.

### **b) Property, Plant and Equipment**

#### **Property, plant and equipment**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.



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

### **Capital work in progress**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

### **Depreciation**

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life as provided in the Companies Act, 2013 (determined by the management based on technical estimates), as follows:

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

### **Intangible assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



## **Financial instruments**

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

## **Financial assets**

### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### **Subsequent measurement**

Subsequent measurement of financial assets is described below -

Debt instruments at amortised cost

A. Debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

### **Debt instrument at FVTOCI**

Debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payment of principle and interest (herein after referred to as "SPPI").

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. Debt instrument at FVTPL. FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company



has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

▣ **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **Financial liabilities – Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments. The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through statement of profit and loss
- Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge





relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through statement of profit and loss.

### **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Financial liabilities - Derecognition**

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 recognised in the statement of profit and 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.

### **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **Impairment of Non-financial assets**



The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

### **Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### **Inventories**

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:



Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a portion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

## **Taxation**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Sales/ value added taxes paid on acquisition of assets or on incurring expenses. Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except: When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. When receivables and payables are stated with the amount



of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

## **Employee benefit schemes**

### **Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

## **Post-employment benefits**

### **Defined benefit plans –Provident fund**

#### **Provident Fund**

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

### **Provision for liabilities and charges, Contingent liabilities and contingent assets**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability. Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.



### **Foreign currency transactions**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined. All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income. The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto March 31, 2016 has been deferred/capitalized. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

### **Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

### **Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### **Company as a lessee**



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A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

### **Use of Estimates and Judgments**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.



NOTES TO THE FINANCIAL STATEMENTS

Note 2 : Property, Plant & Equipments

(Amt. in Rs.)

Description of Asset	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION					NET BLOCK	
	As on 01.04.2019	Addition during year	Deduction during year	As on 31.03.2020	Up to 01.04.2019	Provided during year	Write off durina	Deduction/ Adjustment	Up to 31.03.2020	As on 31.03.2020	As on 31.03.2019
	<b>I. Tangible Assets</b>										
Furniture & Fixture	608,846	-	-	608,846	517,688	25,807	-	-	543,495	65,351	91,158
Vehicles	1,520,528	-	1,520,528	-	1,414,770	25,524	-	1,440,295	-	-	105,758
<b>TOTAL</b>	<b>2,129,374</b>	<b>-</b>	<b>1,520,528</b>	<b>608,846</b>	<b>1,932,459</b>	<b>51,331</b>	<b>-</b>	<b>1,440,295</b>	<b>543,495</b>	<b>65,351</b>	<b>196,915</b>
<b>Previous Year</b>	<b>8,213,125</b>	<b>-</b>	<b>6,083,751</b>	<b>2,129,374</b>	<b>5,796,276</b>	<b>422,620</b>	<b>2,506</b>	<b>4,288,944</b>	<b>1,932,459</b>	<b>196,915</b>	<b>2,416,849</b>

Note 3 : Financial Asset - Non current Investment

Particulars	At at 31st March, 2020	At at 31st March, 2019
Investment in Equity Shares (Unquoted)	-	840,300
<b>TOTAL</b>	<b>-</b>	<b>840,300</b>

Note 4 : Financial Asset - Non Current - Loans

Particulars	At at 31st March, 2020	At at 31st March, 2019
<b>Unsecured, Considered Good</b>		
Loans & Advances to Others	12,553,011	37,155,284
<b>TOTAL</b>	<b>12,553,011</b>	<b>37,155,284</b>

Note 5 : Deferred Tax Asset

Particulars	At at 31st March, 2020	At at 31st March, 2019
Related to Depreciation	179,655	169,165
<b>TOTAL</b>	<b>179,655</b>	<b>169,165</b>

**Note 6 : Other Non Current Assets**

Particulars	<i>At at 31st March, 2020</i>	<i>At at 31st March, 2019</i>
<b>Unsecured, Considered Good</b>		
Loans & Advances / Capital advances	22,623,800	5,500,000
<b>TOTAL</b>	<b>22,623,800</b>	<b>5,500,000</b>

**Note 7 : Inventories**

Particulars	<i>At at 31st March, 2020</i>	<i>At at 31st March, 2019</i>
Inventories	60,984,671	27,789,057
<b>TOTAL</b>	<b>60,984,671</b>	<b>27,789,057</b>

**Note 8 : Financial Asset - Current - Investments**

Particulars	<i>At at 31st March, 2020</i>	<i>At at 31st March, 2019</i>
Investment in Equity Shares (Quoted)	-	5,004,759
Less : Change in fair value through other comprehensive Income	-	(710,008)
<b>TOTAL</b>	<b>-</b>	<b>4,294,751</b>

**Note 9 : Financial Asset - Current - Trade Receivables**

Particulars	<i>At at 31st March, 2020</i>	<i>At at 31st March, 2019</i>
Trade receivables	4,738,715	26,462,708
Less : Provision for Doubtful Debts	-	-
Total receivables	4,738,715	26,462,708
<b>TOTAL</b>	<b>4,738,715</b>	<b>26,462,708</b>

**Note 10 : Financial Asset - Current - Cash and Cash Equivalents**

Particulars	<i>At at 31st March, 2020</i>	<i>At at 31st March, 2019</i>
Cash in hand	214,897	290,628
Balances with banks in current account	19,612	99,509
<b>TOTAL</b>	<b>234,509</b>	<b>390,137</b>





### Note 11 : Financial Asset - Current - Others

Particulars	At at 31st March, 2020	At at 31st March, 2019
Receivable on sale of shares	-	4,588,096
Balance with Revenue Authorities	1,499,990	
<b>TOTAL</b>	<b>1,499,990</b>	<b>4,588,096</b>

### Note 12 : Current Tax Asset

Particulars	At at 31st March, 2020	At at 31st March, 2019
Advance Income Tax (Net of Provision)	432,387	260,880
<b>TOTAL</b>	<b>432,387</b>	<b>260,880</b>

### Note 13 : Equity Share Capital

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
1,05,00,000 Equity Shares of Rs. 10/- each	105,000,000	105,000,000
	<b>105,000,000</b>	<b>105,000,000</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>		
1,04,18,706 Equity Share of Rs.10/- Each fully paid up	104,187,060	104,187,060
<b>TOTAL</b>	<b>104,187,060</b>	<b>104,187,060</b>

#### a) Reconciliation of number of shares outstanding at the end of year

Particulars	As at 31st March 2020	As at 31st March 2019
Equity shares at the beginning of the year	10,418,706	10,418,706
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	<b>10,418,706</b>	<b>10,418,706</b>

The Company has issued only one class of Equity Shares having a Par Value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share.

#### b) Details of shareholders holding more than 5% shares of the aggregate shares in the company

Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Lakhotia Polysters (India) Ltd.	364,191	3.50%	1,531,690	14.70%
Nibhe Ganesh Ramesh	5,581,606	53.57%	1,816,477	17.43%
Sarika Chandak	-	0.00%	1,627,802	15.62%
Sanjoyog Trade Link Private Limited	958,223	9.20%	978,223	9.39%
Harish Chandak	-	0.00%	1,086,711	10.43%

<b>Note 14 : Other Equity</b>		
<b>Particulars</b>	<b>At at 31st March, 2020</b>	<b>At at 31st March, 2019</b>
<b>1) Surplus in the Statement of Profit and Loss</b>		
As Per Last Balance Sheet	3,587,887	3,629,665
Add: Profit / (loss) for the year	(4,787,771)	(41,777)
Less: Appropriations	-	-
<b>Closing Balance</b>	<b>(1,199,884)</b>	<b>3,587,887</b>
<b>2) Other Comprehensive Income</b>		
As Per Last Balance Sheet	(710,008)	-
Add / (Less) : Other Comprehensive Income / (loss) for the year	-	(710,008)
Less: OCI Transferred to Profit and Loss	710,008	-
<b>Closing Balance</b>	<b>-</b>	<b>(710,008)</b>
<b>TOTAL</b>	<b>(1,199,884)</b>	<b>2,877,879</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 15 : Financial Liabilities - Current - Trade Payables

<b>Particulars</b>	<b>At at 31st March, 2020</b>	<b>At at 31st March, 2019</b>
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	60,477	-
<b>TOTAL</b>	<b>60,477</b>	<b>-</b>

### Note 16 : Other Current Liabilities

<b>Particulars</b>	<b>At at 31st March, 2020</b>	<b>At at 31st March, 2019</b>
Statutory Dues	6,300	183,127
Creditors for Expenses	133,825	27,427
<b>TOTAL</b>	<b>140,125</b>	<b>210,554</b>

### Note 17 : Provisions

<b>Particulars</b>	<b>At at 31st March, 2020</b>	<b>At at 31st March, 2019</b>
Provision for Employee Benefits	-	371,798
<b>TOTAL</b>	<b>-</b>	<b>371,798</b>



<b>Note 18 : Revenue from Operations</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Sale of Goods	14,425,157	19,117,852
<b>TOTAL</b>	<b>14,425,157</b>	<b>19,117,852</b>
<b>Note 19 : Other Income</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Interest Income	2,803,250	2,900,002
Rent of Machinery	-	651,000
Profit on Sale of Machinery	4,765	320,192
Discount Received	497	33,690
<b>TOTAL</b>	<b>2,808,513</b>	<b>3,904,884</b>
<b>Note 20 : Cost of Material Consumed</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Purchase of Raw Material		(18,446)
<b>Direct Expenses:</b>		
-Gas & Electricity Charges		22,900
<b>TOTAL</b>	<b>-</b>	<b>4,454</b>
<b>Note 21 : Change in Inventories</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Opening Stock	27,789,057	48,066,004
Less: Closing Stock	60,984,671	27,789,057
<b>TOTAL</b>	<b>(33,195,614)</b>	<b>20,276,947</b>



<b>Note 22 : Employee Benefits Expenses</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Salary Expenses	324,933	-
Provident Fund	66,275	62,402
Profession Tax	3,580	739
Directors Remuneration	780,000	1,080,000
<b>TOTAL</b>	<b>1,174,788</b>	<b>1,143,141</b>
<b>Note 23 : Financial Cost</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Interest to Bank	-	44,627
Interest on Income Tax	-	2,610
Interest on TDS	163	-
Interest on GST	69,424	-
Bank Charges	2,207	448
<b>TOTAL</b>	<b>71,794</b>	<b>47,685</b>
<b>Note 24 : Depreciation and Amortization Cost</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Depreciation	51,331	422,620
<b>TOTAL</b>	<b>51,331</b>	<b>422,620</b>
<b>Note 25 : Other Expenses</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Advertisement Expenses	59,936	53,571
Audit Fees	95,000	60,000
Asset written off	-	2,507
Computer Expenses	-	5,100
Demat Charges	2,485	1,156
Depository Charges	100,000	78,242
Gas & Electricity Charges	19,030	-
GST Expenses	373,078	-
Insurance Expenses	24,113	-
Late Fee of GST	-	450
Legal Expense	12,000	64,200
Loss on sale of Shares	5,080,632	-
Listing Fees	454,000	250,000
Penalty on GST	46,284	-
Postal Expenses	-	914
Professional Fees	77,000	-
Registrar & Share Transfer Fees	40,500	34,156
Rates & Taxes	-	2,400
Rent	180,000	180,000
ROC fees	11,400	18,900
Stationery Expenses	10,986	-
Telephone Expenses	9,958	23,625
Transportation Expenses	-	9,254
Vehicle Expenses	-	111,247
Website Developing Expenses	7,750	7,500
<b>TOTAL</b>	<b>6,604,151</b>	<b>903,222</b>
<b>Payment to Auditors</b>		
-As Auditor	95,000	60,000
-As Advisor	-	-
-Any other Manner	-	-



<b>Note 26 : Tax Expenses</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>a) Income Tax Expense</b>		
<b>Current Tax</b>		
Provision For Income Tax	125,778	175,250
<b>Deferred Tax Liability / (Asset)</b>		
Related to Depreciation	113,819	(9,756)
Short Provision of Income Tax	-	100,949
<b>b) Reconciliation of tax expenses and the accounting loss multiplied by India's tax rate</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Profit/(Loss) before income tax expenses</b>	(4,548,173)	224,666
<b>Tax at the Indian tax rate of 26% (March 31, 2019- 26%)</b>	(1,182,525)	58,413
<b>Current Tax effect of:</b>		
Depreciation	5,309	76,189
Interest on Statutory Dues	-	679
Long term capital Gain considered separately	1,292,200	-
Profit on sale of Asset considered separately	(1,239)	(83,250)
Capital Gain on sale of asset	-	123,219
Penalty on Indirect Taxes	12,034	-
<b>Deferred Tax effect of:</b>		
Written Down Value of Assets	-	(9,756)
Gratuity	-	-
<b>Total</b>	<b>125,778</b>	<b>165,494</b>
<b>Adjustment in respect of current tax of previous year</b>	-	100,949
<b>Tax expense as per Statement of Profit and Loss</b>	<b>125,778</b>	<b>266,443</b>
<b>Note 27 : Earning Per Share</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Profit for the period attributable to Equity Shareholder	(4,787,771)	(41,777)
No of weighted average equity shares outstanding during the year	10,418,706	10,418,706
Nominal Value of Equity Share	10	10
Basic and Diluted Earning Per Share	(0.4595)	(0.0040)

(Amount in Rupees)

**Note 28 : Fair Value Measurement**

**i) Fair Value of Financial assets and Financial liabilities**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets designated as fair value through other comprehensive income</b>				
<b>Investments</b>				
- Investment in Shares - Current	-	-	4,294,750	4,294,750
<b>Financial assets designated at amortised cost</b>				
<b>Non Current</b>				
Investments	-	-	840,300	840,300
Loans	12,553,011	12,553,011	37,155,284	37,155,284
<b>Current</b>				
Trade receivables	4,738,715	4,738,715	26,462,708	26,462,708
Cash and cash equivalents	234,509	234,509	390,137	390,137
Other Financial Asset	1,499,990	1,499,990	4,588,096	4,588,096
	<b>19,026,225</b>	<b>19,026,225</b>	<b>73,731,275</b>	<b>73,731,275</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings	-	-	-	-
Trade payables	60,477	60,477	-	-
	<b>60,477</b>	<b>60,477</b>	<b>-</b>	<b>-</b>

**(ii) Valuation technique used to determine fair value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

- a) Fair value for financial investments are valued using closing NAV.
- b) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- c) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.
- d) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**(iii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An



Financial assets and liabilities measured at fair value-recurring fair value measurements	At March 31, 2020				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets at amorised Cost</b>					
Non Current Investment in Shares	3	-	-	-	-
		-	-	-	-
<b>Financial investments at FVTOCI</b>					
Current Investment in Shares	1	-	-	-	-
<b>Total financial assets</b>		-	-	-	-
<b>At March 31, 2019</b>					
Financial assets and liabilities measured at fair value-recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets at amorised Cost</b>					
Non Current Investment in Shares	3	-	-	840,300	840,300
		-	-	-	-
<b>Financial investments at FVTOCI</b>					
Current Investment in Shares	1	4,294,751	-	-	4,294,751
<b>Total financial assets</b>		4,294,751	-	-	5,135,051
<p>Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using closing NAV.</p> <p>Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument are included in Level 2.</p> <p>Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.</p> <p>The Company's policy is to recognise transfers into and transfer out in fair value hierarchy levels at the end of the reporting period.</p>					

## Note 29 : Financial Risk Management

### Financial Risk Factors

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, trade and other receivables, cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

#### i) Credit Risk

Credit risk arises from cash and cash equivalents and deposits with bank(s) / other company, as well as credit exposure to counter party that will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**Expected credit loss for trade receivables**

Particulars	Past Due		Total
	Upto 6 months	above 6 months	
<b>Trade Receivables</b>			
<b>As at March 31, 2019</b>			
Gross carrying amount	8,060,061	18,402,647	26,462,708
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>8,060,061</b>	<b>18,402,647</b>	<b>26,462,708</b>
<b>As at March 31, 2018</b>			
Unsecured but considered good	7,955,450	9,458,954	17,414,404
<b>Net Total</b>	<b>7,955,450</b>	<b>9,458,954</b>	<b>17,414,404</b>

**ii) Market Risk**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

**(a) Foreign Exchange Risk**

The Company transacts business in Indian National Rupee (INR). The Company does not have any foreign currency financial instruments and therefore is not exposed to foreign exchange risk.

**(b ) Price Risk**

The business of the company is selling fabrics and related products. The price volatility of the commodities in domestic and international markets does not generally affect the operating activity of the Company.

**iii) Liquidity Risk**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations subject to the compliance with loan facilities. Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.





Particulars	As at March 31, 2020				
	Carrying Amount	On Demand	< 6 months	6 to 12 months	> 1 year
Borrowings	-	-	-	-	-
Trade Payables	60,477	60,477	-	-	-
Other Financial Liabilities	-	-	-	-	-
<b>Total</b>	<b>60,477</b>	<b>60,477</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at March 31, 2019				
	Carrying Amount	On Demand	< 6 months	6 to 12 months	> 1 year
Borrowings	-	-	-	-	-
Trade Payables	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 30 :Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves.

The Company's objectives when managing capital are to:

- (a) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- (b) Maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by equity capital. No changes were made in objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	-	-
Current Maturities of Long Term Debts	-	-
Less: Cash and cash equivalents	(234,509)	(390,137)
<b>Net Debt (a)</b>	<b>(234,509)</b>	<b>(390,137)</b>
Total Equity	102,987,176	107,064,939
<b>Total capital (b)</b>	<b>102,987,176</b>	<b>107,064,939</b>
<b>Net Debt to Equity ratio (a/b)</b>	<b>(0.0023)</b>	<b>(0.0036)</b>

**Note 31 : Related Party Transactions**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

**a) List of the related party**

Particulars	Relationship	(% of holding)	
		As at March 31, 2020	As at March 31, 2019
Shailesh Chandak	Director	-	2.46%
Harish Chandak	Director	-	10.43%
Sudha Chandak	Relative of Director	-	-
Sarika Chandak	Director	-	15.62%
Kavita Creation	Associate Concern	-	-
Shiv Textiles	Associate Concern	-	-

**b) Key Management Personnel of Company**

Name	Designation
Shailesh Chandak	Director
Harish Chandak	Director
Sarika Chandak	Director
Sudha Chandak	Relative of Director

**c) Transactions during the year with related parties**

Name of the party	Nature of transactions	As at March 31, 2020	As at March 31, 2019
Shailesh Chandak	Director Remuneration	360,000	360,000
	Rent Paid	180,000	180,000
Harish Chandak	Director Remuneration	-	360,000
	Rent Paid	-	-
Sudha Chandak	Rent Paid	-	-
Sarika Chandak	Director Remuneration	360,000	360,000
Shiv Textiles	Job work charges	-	-
Kavita Creation	Sale of Goods	-	7,542,082
	Sale of Machinery	-	1,292,100
	Sale of Goods	16,331,043	-
	Rent of Machinery Received	-	651,000

**d) Balance outstanding of related parties**

Name of the Party	Receivable/ (Payable)	As at March 31, 2020	As at March 31, 2019
Shailesh Chandak	-	-	-
Harish Chandak	-	-	-
Sudha Chandak	-	-	-
Sarika Chandak	-	-	-
Kavita Creation	-	-	-

**e) Key Management Personnel Compensation**

Particulars	As at March 31, 2020	As at March 31, 2019
Shailesh Chandak	360,000	360,000
Harish Chandak		360,000
Sarika Chandak	360,000	360,000
<b>Total Compensation</b>	<b>720,000</b>	<b>1,080,000</b>

**Note 32 :Contingent Liabilities**

Particulars	Contingent Liability not provided in the books of accounts (Rs. In Lakh)	
	As at March 31, 2020	As at March 31, 2019
NIL	-	-

**Note 33 : Commitments**

a) Capital expenditure contracted at the end of the reporting period but not recognised as liability is as follows :

Particulars	Capital Commitments	
	As at March 31, 2020	As at March 31, 2019
NIL		

b) The lease arrangement for all premises taken on lease are on verbal commitment without any written agreements. Thus in absence of lease agreement the agewise classification of lease commitments cannot be provided

Particulars	Operating Lease	
	As at March 31, 2020	As at March 31, 2019
- Not later than 1 year	-	-
- Later than 1 year but not later than 5 years	-	-
- Later than 5 years	-	-

**Note 34 :Segment Reporting**

The company is operating in single segment of Trading in fabrics as per IND AS 108. Hence segment reporting is not applicable.



**Note 35 :**

Figures of Previous year have been regrouped / reclassified in order to make them comparable with current year figures, wherever necessary.

As per our report of even date

FOR R T JAIN & CO LLP  
CHARTERED ACCOUNTANTS  
(FRN NO. 103961W/W100182)

CA BANKIM JAIN  
PARTNER  
M No-139447  
UDIN:

For and on behalf of the Board

GANESH RAMESH NIBE ANJUSHA GANESH NIBE  
(Director) (Director)  
DIN - 02932622 DIN - 05114706

RAKESH NARAYAN TODKA HEMANT DILIP WANI  
(CS) (CFO)

Mumbai, June 30, 2020

NASHIK, June 30, 2020

**Nibe Limited (Formerly known as Kavita Fabrics Limited)**  
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