

# ***CLASSIC FILAMENTS LIMITED***

***Annual Report  
2019-2020***

**Registered Office: Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat-395006**  
**Telephone No.: 0261 - 2540 570 Email ID: [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com)**  
**Website: [www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)**

# CLASSIC FILAMENTS LIMITED

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# CLASSIC FILAMENTS LIMITED

## **BOARD OF DIRECTORS:**

Mr. Jayanti Gaudani (DIN- 03571671)	:	Managing Director
Mr. Bharat Patel (DIN-00249234)	:	Director and Chief Financial Officer
Mr. Subhash Patle (DIN-00369492)	:	Independent Non-Executive Director
Mr. Bhavesh Dholiya (DIN- 07641315)	:	Independent Non-Executive Director
Ms. Aruna Kachchhi (DIN- 07915688)	:	Independent Woman Director
Ms. Ankita Shroff	:	Company Secretary & Compliance Officer

## **COMMITTEES OF THE BOARD:**

Audit Committee  
Stakeholders Relationship Committee  
Nomination and Remuneration Committee

## **REGISTERED OFFICE:**

Plot No. 1, Priyanka House,  
Umiyadham Road,  
Varachha, Surat-395006  
Gujarat  
Tel -0261 2540570  
Email: [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com)  
Website: [www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)

## **BANKERS:**

City Union Bank Limited, Parle Point Branch, Surat

## **REGISTRAR & SHARE TRANSFER AGENT:**

**Satellite Corporate Services Private Limited**

### **Registered Office Address:**

Office no.106 & 107, Dattani Plaza,  
East West Compound, Andheri Kurla Road,  
Sakinaka, Mumbai-400072.  
Ph Nos: 022 28520461/462  
[www.satellitecorporate.com](http://www.satellitecorporate.com)  
E-mail: [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

## **LISTING OF EQUITY SHARES:**

BSE Limited

## **CLASSIC FILAMENTS LIMITED**

### **AUDITORS:**

M/s. B. Chordia & Co  
Chartered Accountants,  
808-809, Ajanta Shopping Centre,  
Ring Road, Surat – 395002  
Email Id: bcc.vikas@gmail.com

### **ANNUAL GENERAL MEETING:**

Day & Date	Wednesday, 30 <sup>th</sup> September, 2020
Time	11:00 a.m.
Venue	: Through Video conferencing / Other Audio Visual Means

# CLASSIC FILAMENTS LIMITED

## CLASSIC FILAMENTS LIMITED

CIN:L17114GJ1990PLC013667Registered Office: Plot No. 1, Priyanka House, Umiyadham Road, Varachha  
Surat – 395006.

Tel:0261-2540570 email: [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com), Website: [www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting (the "Meeting") of Classic Filaments Limited will be held on Wednesday 30<sup>th</sup> September, 2020 through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:

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#### **ORDINARY BUSINESS:**

##### **Item No. 1 – Adoption of Financial Statements**

To consider and adopt the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2020 including Audited Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.

##### **Item No. 2 – Re-appointment of Mr. Jayanti Gaudani (DIN-03571671) as a director liable to retire by rotation**

To appoint a Director in place of Mr. Jayanti Gaudani (DIN-03571671), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS**

##### **Item No. 3 – Re-appointment of Mr. Jayanti Gaudani (DIN-03571671) as Managing Director of the Company**

To consider, and if thought fit, to pass, the following Resolution as an **Ordinary Resolution(s)**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Jayanti Gaudani (DIN:03571671) as a Managing Director, designated as Executive Director, for a period of 5 (five) years with effect from 23<sup>rd</sup> May, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## CLASSIC FILAMENTS LIMITED

### **Item No. 4 - Re-appointment of Mr. Subhash Patle (DIN: 00369492) as Independent Director for the 2<sup>nd</sup> consecutive term of 5 years**

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Subhash Patle (DIN: 00369492), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company for second term of five consecutive years with effect from 23<sup>rd</sup> May, 2020 and whose office shall not be liable to retire by rotation".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### **Item No. 5 – Approval for increase in limit for making investments, providing loans, giving guarantees and securities under Section 186 of the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals, the consent of the members be and is hereby accorded/granted for loans already given or investments already made whether within the limits of Section 186 or in excess of limits specified under Section 186 of Companies Act, 2013 and to give further loans to any of the Company, to give guarantee or provide security in connection with a loan made by any person to any of the Company, to acquire by way of subscription, purchase or otherwise, the securities of any body corporate for an amount not exceeding Rs.20 crore (Twenty Crore only), notwithstanding that such investment and acquisition together with the Company's existing investments in all other bodies corporate, loans and guarantees given and securities provided may collectively exceed the limits prescribed under Section 186(3), of the Companies Act, 2013.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as Board which expression shall include any committee thereof or person(s) authorized by the Board) to do all such acts, matters and things and to take all such steps as may be required in this connection and to settle any questions, difficulties or doubts that may arise in this regard and to execute such documents, deeds, writings, papers and/ or agreements as may be required as it may in its absolute discretion, deem fit, necessary or appropriate."

**For and on behalf of the Board**

**Jayanti Gaudani**  
**Managing Director**  
**DIN-03571671**

Date: 02.09.2020  
Place: Surat

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### **NOTES:**

- 1. In view of the 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. 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.classicfilamentsltd.com](http://www.classicfilamentsltd.com) and on website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).**
- 3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 3 to 5 proposed to be transacted at the Meeting is annexed and forms part of the Notice.**
- 4. A proxy is allowed to be appointed under Section 105 of the Act to attend and vote at a general meeting on behalf of a member who is not able to attend personally. Since general meetings under this framework will be held through VC or OAVM, where physical attendance of members in any case has been dispensed with, there is no requirement of appointment of proxy as per General Circular No: 14/2020. Accordingly, the facility of appointment of proxies by members will not be available for such meetings and hence the Proxy Form and Attendance slip including route map are not annexed to the Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and cast their votes through e-voting.**
- 5. Members who attends the meeting and have not casted their votes through remote e-voting system are entitled to cast their votes through e-voting facility provided by the Company during the Annual General Meeting.**
- 6. The Register of Members and Share Transfer Books of the Company will remain closed from – **Wednesday, 23<sup>rd</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive).****
- 7. The Members who shall be holding the shares either in physical form or in dematerialized form as on 28<sup>th</sup> August, 2020 will receive the Notice of AGM and Annual Report for the Financial Year ended 31<sup>st</sup> March, 2020**
- 8. Members may kindly note that the Company's shares can now be held in dematerialised form with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL). The ISIN is INE181U01018. The Company has appointed M/s. Satellite Corporate Services Private Limited as Registrar & Transfer Agent.**
- 9. Members are requested to notify immediately change of Bank particulars or Bank Mandates or for change in their address, if any, to the Company and/or to its Registrar & Transfer Agent viz. M/s. Satellite**

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Corporate Services Private Limited or to respective Depository Participant in case of shares held in dematerialized form.

- 10.** In view of the '**Green Initiative in Corporate Governance**' introduced by the Ministry of Corporate Affairs vide its Circular No. 17/2011 dated 21.04.2011, all members who have not registered their e-mail IDs with the Company, are requested to register their e-mail IDs with the Company, so as to enable the Company to send all notice/reports/documents/intimations and other correspondences etc. through e-mails in the electronic mode instead of receiving physical copies of the same. For registering your email ID, kindly send your email ID details to [info@satellitecorporate.com](mailto:info@satellitecorporate.com)/ [service@satellitecorporate.com](mailto:service@satellitecorporate.com)/ [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com).
- 11.** The Members can join the AGM in the VC/OAVM mode 15 minutes before and up to 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- 12.** The SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April 2018, has directed all the listed companies to record the PAN and Bank Account details of holders holding securities in physical form. Accordingly, the shareholders holding shares in physical form are requested to submit a copy of their PAN and bank details along with a cancelled cheque to the Registrar and Share Transfer Agent of the Company at the earliest. Separate letters have been sent to the security holders of the Company holding securities in physical form as per the said Circular.  
  
Further, in view of amendments to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 as amended, effective from 1st April, 2019, requests for effecting transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository, except in case of transmission or transposition of shares. Accordingly, the shareholders of the Company holding shares in physical form are requested to dematerialise the shares held by them at the earliest.
- 13.** Members desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the Form SH-13 annexed as a part of the Annual Report and send the same to the office of the Registrar and Transfer Agent of the Company.
- 14.** Members seeking any information or clarification on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting. The queries may be addressed to Managing Director/ Compliance Officer, Mr. Jayanti Gaudani/ Ms. Ankita P. Shroff, Classic Filaments Limited, Plot No. 1, Priyanka House, Umiyadham Road, Varachha, Surat-395006.
- 15.** Members holding shares in physical form in identical order of names in more than one folio are requested to send share certificates to the Registrar and Share transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. Consolidated share certificate will be returned to such Members after making requisite changes thereon.
- 16.** In case of joint holders attending the Meeting, only such joint holder who is first in the order of names will be entitled to vote.
- 17.** All documents referred to in the accompanying Notice calling the AGM and Explanatory Statement will be available electronically for inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to '[classicfilaments@ymail.com](mailto:classicfilaments@ymail.com)'.



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18. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection electronically by the members at the AGM.
19. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
20. The SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective DP with whom they are maintaining their demat accounts.
21. **Procedure for joining the AGM through VC/OAVM:**

### Process for registration of email address for obtaining Annual Report and user id/password for e-voting:

The Members whose email ids are not registered with are requested to get their email id registered, as follows:

1.Share in physical mode: Please provide folio number, name of the shareholder, scanned copy of the share certificate (front & back), Pan (self-attested scanned copy of PAN Card), AADHAR (Self-attested scanned copy of Aadhar Card) by email to M/s Satellite Corporate Services Private Limited, Registrar & Share Transfer Agent at [service@satellitecorporate.com](mailto:service@satellitecorporate.com) or with the Company at [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com).

2.Shares in dematerialised mode: Please contact with your Depositories Participant (DP) and register your email address, as per the process advised by your DP.

### Instruction for Members for attending the AGM through VC/OAVM:

1.Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Please note that the 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 to avoid last minute rush. Further, members can also use the OTP based login for log in into the e-voting system of NSDL.

2.Member are encouraged to join the Meeting through Laptop for better experience.

3.Further, members will be required to allow camera and use internet with good speed to avoid any disturbance during the meeting.

4.Please note that participants connecting through mobile devices or through 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 would like to express their views/have questions, may send their request from their registered email address mentioning their name, DPO ID and Client ID/Folio Number, PAN, Mobile Number

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at [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com) on or before 23<sup>rd</sup> September, 2020. During the meeting chat box will be provided to the Members to ask questions. The questions received through chat box will be replied at AGM or replied individually through email as may be decided by the Chairman.

### 22. Voting through Electronic means:

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2016 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The Company has appointed M/s. JKPA & Associates, Practicing Company Secretaries, Surat as Scrutinizer for scrutinising the remote e-voting process and e-voting Process at the AGM in a fair and transparent manner.

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

The remote e-voting period commences on Sunday, 27<sup>th</sup> September, 2020 (9:00 am) and ends on Tuesday, 29<sup>th</sup> September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of Wednesday, 23<sup>rd</sup> September, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions of e-voting are detailed hereunder:

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

### Details on Step 1 is mentioned below:

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

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4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number,

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your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send 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 Scrutinizer by e-mail to cs.jkpa@gmail.com with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- I. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

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- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, 23<sup>rd</sup> September, 2020
- IV. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 23<sup>rd</sup> September, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- V. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e voting.
- VI. The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
- VII. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting by e-voting for 15 minutes, by use of "e-Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast through e-voting at AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- IX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company '[www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)' and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges on which Shares of the Company are listed.

Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each of the folio/demat accounts.

For and on behalf of the Board

**Jayanti Gaudani**  
**Managing Director**  
**DIN-03571671**

Date: 02.09.2020  
Place: Surat

# CLASSIC FILAMENTS LIMITED

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### **Item No. 3 – Re-appointment of Mr. Jayanti Gaudani (DIN-03571671) as Managing Director of the Company**

The Board of Directors of the Company ("the Board"), at its meeting held on 23<sup>rd</sup> May, 2020 has, subject to approval of members, re-appointed Mr. Jayanti Gaudani (DIN-03571671) as a Managing Director, designated as Executive Director, for a period of 5 (five) years from the expiry of his present term i.e. with effect from 23<sup>rd</sup> May, 2020, on such terms and conditions as agreed between Mr. Jayanti Gaudani and the Board of Directors of the Company. Accordingly, Members approval is sought for the re-appointment of Mr. Jayanti Gaudani as a Managing Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

The Managing Director shall perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Managing Director will be under the overall authority of the Board of Directors. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors. The Managing Director shall adhere to the Company's Code of Conduct. The office of the Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing. Mr. Jayanti Gaudani satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The terms and conditions of his appointment and copy of his Letter of Appointment shall be open for inspection electronically by the Members till the conclusion of the AGM. Members seeking to inspect such documents can send an email to 'classicfilaments@ymail.com'.

In compliance with the provisions of Section 196, 203 read with Schedule V to the Act other applicable Regulations, the re-appointment of Mr. Jayanti Gaudani as Managing Director is now being placed before the Members for their approval by way of Ordinary Resolution.

The Board recommends the Ordinary Resolution at Item No. 3 of this Notice for approval of the Members.

Except Mr. Jayanti Gaudani and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of the Notice.

As per the requirements of Secretarial Standards on Meetings (SS-2) and Regulation 36(3) of SEBI (LODR), Regulations, 2015, a brief profile and information of Directors being Appointed/ Reappointed is given separately.

### **Item No. 4 - Re-appointment of Mr. Subhash Patle (DIN: 00369492) as Independent Director for the 2<sup>nd</sup> term of 5 consecutive years**

Mr. Subhash Patle (DIN: 00369492) was appointed as an Independent Director of the Company by the members at the Extra Ordinary General Meeting held on 24<sup>th</sup> May, 2015 for a period of five consecutive years i.e. from 24<sup>th</sup> May, 2015 to 23<sup>rd</sup> May, 2020. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. Based on the recommendation made by Nomination and Remuneration Committee at its meeting held on 23<sup>rd</sup> May, 2020, the Board of Directors, had decided to re-appoint Mr. Subhash Patle as an Independent Director, for a second term of five years from 23<sup>rd</sup> May, 2020 to 22<sup>nd</sup> May,

## CLASSIC FILAMENTS LIMITED

2025, not liable to retire by rotation. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Subhash Patle would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Also, the Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Mr. Subhash Patle for the office of Independent Director of the Company. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection electronically by the Members till the conclusion of the AGM. . Members seeking to inspect such documents can send an email to 'classicfilaments@ymail.com'.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Subhash Patle as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 4 of this Notice for approval of the Members.

Except Mr. Subhash Patle and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 4 of the Notice.

As per the requirements of Secretarial Standards on Meetings (SS-2) and Regulation 36(3) of SEBI (LODR), Regulations, 2015, a brief profile and information of Directors being Appointed/ Reappointed is given separately.

### **Item No. 5 – Approval for increase in limit for making investments, providing loans, giving guarantees and securities under Section 186 of the Companies Act, 2013**

Approval for loan, investments, guarantee and securities under Section 186 of the Companies Act 2013 (the Act) pertaining to loan and investment by a Company, inter alia, requires that no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium, whichever is more, except with previous approval of members by means of a Special resolution.

However, the Board of Directors have exhausted the limits stated in Section 186 of the Act and there is no limit available to the Company for such a transaction involving other than wholly owned subsidiaries. It will be expedient to allow the Company a reasonable limit for such transactions in the interest of operational flexibility for the Management to avail opportunities to benefit costs, profits, business growth or financial flexibility. It will enable Company to deploy its funds by way of acquiring securities, giving of loans, deposits or such other means and provide security and guarantee from time to time and on such terms and conditions as may be decided by the Board keeping in view the surplus funds, opportunity before the Company, business benefits, subject to compliance with all applicable statutory provisions. By providing a limit upto Rs.20 crore

## CLASSIC FILAMENTS LIMITED

(Twenty Crore only), this resolution presently in effect purports to create a modest headroom of around Rs 14.30 crores (after considering investments etc) as explained herein and accordingly the Board may exercise their power in this respect from time to time where deemed expedient for the Company. Said amount may vary depending upon the outstanding amount of loan, investment, guarantee etc. from time to time. For further financial and other business detail including loan, investments, guarantee etc. financial statements of company may be referred which is available on website of the Company. If necessary, approval under this resolution shall also be considered as approval for the afore stated position. Numbers and reckoning given in this statement are intended to illuminate the current position and would vary in future.

Further, Board of Directors are allowed to delegate the powers granted by this resolution to any committee(s) of the Board or Managing Director, Director or any other officer of the Company upto such limit as the Board of Directors of the Company may think fit.

The Directors of the Company accordingly recommend the special resolution as set out in the accompanying Notice for members' approval.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members.

None of the Promoters, Directors, Managers, Key Managerial Personnel, or their Relatives, either directly or indirectly is concerned or interested in the above Resolution.

### A BRIEF PROFILE AND INFORMATION OF DIRECTORS BEING

#### APPOINTED / REAPPOINTED:

Name of Director	Mr. Jaynti Gaudani	Mr. Subhash Patle
Date of Birth	14/07/1978	25/12/1983
Date of Appointment	23rd May, 2020	23rd May, 2020
No. of Shares Held	NIL	NIL
Age	41 years	34 years
Qualification(s) and Experience in Specific Functional Areas	Mr. Jayanti Gaudani is Commerce Graduate and is associated with the Company from past 5 years. His vast experience in the field has contributed in the company very positively in the past years. Under his leadership the Company is expecting further growth of the Company.	Mr. Suhash Patle is SSC pass and has more than 10 years experience in administration. Further, he holds Directorships in various Limited and Private Limited Companies.
Directorship held in other Companies including Companies incorporated outside India	Parjanya Infraprojects Private Limited	1. Vrundavan Agro Industries Limited 2. Aircommand Airtechnics Limited 3. Aircommand India Limited



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		4. Mahananda Enterprise Limited 5. Sincure Infrastructure Private Limited
Membership/ Chairmanship of all Companies in which they are Directors	Mr. Jayanti Gaudani holds the post of Director in Parjanya Infraprojects Private Limited which is a private limited Company, it does not required to constitute any committees of the Board and hence he does not hold Membership/ Chairmanship in any other Companies.	Mr. Subhash Patle does not hold any Membership/Chairmanship in any Companies in which he is a Director, neither he is part of any committees in which he is holding Directorship
Terms & Conditions of Appointment/ Reappointment	As agreed between Mr. Jayanti Gaudani & the Board of Directors of the Company	As agreed between Mr. Subhash Patle & the Board of Directors of the Company
Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	N.A.	N.A.
Pecuniary relationship directly or indirectly with other Directors, Manager and other Key Managerial Personnel of the Company	No pecuniary relationship with any other Directors, Manager and other Key Managerial Personnel of the Company	No pecuniary relationship with any other Directors, Manager and other Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	4	4

For and on behalf of the Board

**Jayanti Gaudani**  
**Managing Director**  
**DIN-03571671**

Date: 02.09.2020

Place: Surat

# CLASSIC FILAMENTS LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
**Classic Filaments Ltd**

The Board of Directors of the Company take pleasure in presenting the 30<sup>th</sup> Annual Report along with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2020.

### **1. FINANCIAL RESULTS:**

The Financial performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, is summarized below:

Particulars	(Rupees in Lakhs)	
	Period/ year ended <b>31.03.2020</b>	Period/ year ended <b>31.03.2019</b>
Total Revenue	140.96	244.18
Total expenses	(146.67)	(250.13)
Profit/ (loss) before tax	(5.71)	(5.95)
Profit/ (loss) after tax	(5.71)	(5.95)

### **2. OPERATION:**

The year saw a challenging business environment with lower GDP growth and slowdown in consumption. This resulted into a weakening consumer sentiment and lower demand for the category in which we operate. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large. Government has imposed countrywide lock down and only essential businesses operating in essential products and services were allowed to keep their operations active. As you all aware that our Company operates in a segment which is marked as non-essential items by the government and hence we were forced to shut down our operations from the middle of March, 2020 in line with the directives of government. CoVID-19 has affected the Company in a very dynamically and weaken the Company which was facing a staggering situation in the current market. During the period ended 31<sup>st</sup> March, 2020, the loss suffered by the Company amounts to Rs. 5.71 lakhs as compared to loss suffered in the previous year 31<sup>st</sup> March, 2019 which was Rs. 5.95 lakhs. As we can evaluate from the current situation, Company is facing a huge burden and continues to suffer the beating of the novel coronavirus as demand for the company's product is declining sharply.

### **3. DIVIDEND AND TRANSFER TO RESERVES:**

In view of losses incurred, no dividend was declared during the financial year under review and no amount was transferred to reserves during the year under review.

### **4. PUBLIC DEPOSITS:**

During the year under review, the Company has neither invited nor accepted any deposit pursuant to Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid and unclaimed deposits at the end of Financial Year 2019-20.

## CLASSIC FILAMENTS LIMITED

### **5. REPORT ON THE PERFORMANCE OF THE SUBSIDIARIES, ASSOCIATES & JOINT VENTURE COMPANIES:**

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

### **6. PARTICULARS OF EMPLOYEES:**

During the Financial Year, the Company does not have any employee who was in receipt of remuneration exceeding Rupees One crore and two lakh for the year or exceeding Rupees Eight Lakhs and Fifty Thousand per month or for any part of the year.

The Company is not required to give the ratio of the remuneration of each Director to the median remuneration of the employees of the Company and other details in terms of Sub-Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as none of the Directors of the Company is receiving Remuneration from the Company.

### **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board consists of 5 Directors, out of which 3 are Independent Directors including a Woman Director. During the year under review, there was no Change in the Constitution of the Board. Further, no KMPs were appointed and none of the existing KMPs have resigned during the year under review.

As per the provisions of Section 152(6) of the Companies Act, 2013, Mr. Jaynati Gaudani (DIN-03571671), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment as the Director of the Company.

### **8. COMMITTEES OF THE BOARD:**

The Board has constituted Committees pursuant to provisions of Companies Act, 2013, and rules framed thereunder and as per the SEBI (LODR) Regulations, 2015.

The committees of the Board are Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee.

#### **Audit Committee Meeting:**

The Constitution of Audit Committee is as per the requirements of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

<b>Sr No.</b>	<b>Name</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
1.	Mr. Bharat Patel (DIN:00249234 )	4	4
2.	Mr. Subhash Patle (DIN: 00369492)	4	4
3.	Ms. Aruna Kachchhi (DIN-7915688)	4	4

#### **Stakeholders Relationship Committee:**

The Constitution of Stakeholder and Relationship Committee is as per the requirements of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

## CLASSIC FILAMENTS LIMITED

Sr No.	Name	No. of Meetings held	No. of Meetings attended
1.	Mr. Bharat Patel (DIN:00249234 )	5	5
2.	Mr. Subhash Patle (DIN: 00369492)	5	5
3.	Ms. ArunaKachchhi (DIN-7915688)	5	5

### Nomination and Remuneration Committee Meeting:

The Constitution of Nomination and Remuneration Committee is as per the requirements of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

Sr No.	Name	No. of Meetings held	No. of Meetings attended
1.	Mr. Subhash Patle (DIN: 00369492)	1	1
2.	Mr. Bhavesh Dholiya (DIN-07641315)	1	1
3.	Ms. Aruna Kachchhi (DIN-07915688)	1	1

### **10.NUMBER OF BOARD MEETINGS & ATTENDANCE OF DIRECTORS:**

During the financial year under review, the Board of Directors had met 4 times.

#### Board Meetings:

Sr No.	Name	No. of Meetings held	No. of Meetings attended
1.	Mr. Bharat Patel (DIN:00249234 )	4	4
2.	Mr. Jayanti Gaudani (DIN: 03571671)	4	4
3.	Mr. Subhash Patle (DIN: 00369492)	4	4
4.	Mr. Bhavesh Dholiya (DIN:07641315)	4	4
5.	Ms. ArunaKachchhi (DIN:07915688)	4	4

In addition to the above and as required under Schedule IV to the Companies Act, 2013 1(One) Separate Meeting of Independent Directors was held on Tuesday, 11<sup>th</sup> February, 2020.

## **CLASSIC FILAMENTS LIMITED**

### **9. EVALUATION OF BOARD:**

Pursuant to the provisions of the Companies Act, 2013 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, Nomination & Remuneration committee by filling a structured questionnaire.

### **10. DIRECTOR'S RESPONSIBILITY STATEMENT:**

As required under Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that:

- i. In the preparation of the Annual Accounts for the year ended on 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on 31<sup>st</sup> March, 2020 and of the Loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the Annual accounts on a going concern basis.
- v. The Director have laid down proper internal financial controls to be followed by the company and that such financial controls are adequate and are operating effectively.
- vi. The Director have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **11. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received declarations from all the Independent Directors that they meet the criteria of Independence pursuant to section 149(6) of the Companies Act, 2013 and Regulation 16(1) of the SEBI (LODR) Regulations, 2015.

### **12. AUDITORS:-**

In the 28<sup>th</sup> Annual General Meeting held on Friday, 28<sup>th</sup> September, 2018, M/s B. Chordia & Co., Chartered Accountants, Surat (Firm Registration No. 121083W) were appointed as Statutory Auditors for a period of 5 years i.e. to hold the office from the conclusion of 28<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting and the same had been approved by the Shareholders at their 28<sup>th</sup> Annual General Meeting.

### **13. AUDITORS REPORT:**

The observations / qualifications / disclaimers, if any, made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Company has also received Consent and Eligibility Certificate from the said Auditors.

## CLASSIC FILAMENTS LIMITED

### **14. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

In terms of the information required under Clause (I) of Sub-section (3) of Section 134, it is to be noted that Global pandemic Novel Coronavirus has significantly impacted the financial position and operating environment for the Company. Currently, Company is facing the heavy brink of the pandemic and trying to come out with the equation under which operations of the Company will be restored.

### **15. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

Since the Company is not a manufacturing unit, provisions of Section 134 (3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption, are not applicable to the Company.

### **16. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the period under review, there were no Foreign Exchange Earnings and Outgo.

### **17. EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at 31<sup>st</sup> March, 2020, in the prescribed Form MGT - 9, forms part of the report and is annexed as "**Annexure-1**" to this report. The Company has placed a copy of Annual Return on the website of the Company [www.classicfilamentsltd.com](http://www.classicfilamentsltd.com).

### **18. SECRETARIAL AUDIT REPORT:**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Cherry Poddar as Secretarial Auditors of the Company for the Financial Year ended 31<sup>st</sup> March, 2020. The Company has obtained Secretarial Audit Report which is annexed as "**Annexure 2**" to this Report.

### **Explanation on Remark Made by Secretarial Auditor in his Report:**

*The Company is in process of de-materialising the shares held by Promoters.*

### **19. ANNUAL SECRETARIAL COMPLIANCE REPORT:**

As per BSE Circular LIST/COMP/12/2019-20 issued on 14<sup>th</sup> May, 2019, it was clarified that the Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is not applicable to those Companies who have claimed exemption under Regulation 15(2) of SEBI (LODR) Regulations, 2015 and are not required to get the Annual Secretarial Compliance Report.

### **20. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

As per the recommendation of the Nomination & Remuneration Committee, the Board has framed a policy for selection and appointment of Directors and Senior Management Personnel including criteria for determining qualifications, positive attributes, independence etc., of a Director. As required by Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the prescribed details w.r.t. Policy of Directors' Appointment is annexed as "**Annexure - 3**" to this report. However, presently, the Company is not paying remuneration or sitting fees (if applicable) to any of the Directors, Key managerial Personnel and Senior Managerial Personnel of the Company except to Mrs. Ankita Shroff,

## CLASSIC FILAMENTS LIMITED

Company Secretary and Compliance Officer of the Company. The Policy w.r.t. the same is available on Company's website i.e. [www.classicfilamentsltd.com](http://www.classicfilamentsltd.com).

### **21. INTERNAL AUDITORS:**

According to the recommendation of the Audit Committee, the Board had appointed M/s. Ravindra Dhakar & Associates, Chartered Accountants, Surat, (FRN - 114030W) as an Internal Auditors of the Company for the financial year -2019-20. The Internal Auditors were required to report to the Audit Committee of the Board after conducting comprehensive audit of operations of the Company.

### **22. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS PURSUANT TO SECTION 143(12) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no incidences of fraud reported by Auditors.

### **23. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

### **24. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT:**

During the year, the Company has not given any loans, or guarantee or provided security as per Section 186 of the Companies Act, 2013. The details of Investments made by the Company, as covered under the provisions of Section 186 of the Companies Act, 2013 are duly mention in the Notes to Accounts forming the part of Annual Financial Statements for the year ended 31<sup>st</sup> March, 2020.

### **25. CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the provisions of Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V, are not applicable to the Company, as the paid up Share Capital of the Company is less than Rs. 10 crores and Net worth being less than Rs. 25 crores. Further, the Company is not required to obtain Certificate for Non-disqualification of Directors.

### **26. CORPORATESOCIAL RESPONSIBILITY:**

The Company has not developed and implemented any Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of the Companies Act 2013 and relevant Rules framed thereunder as the said provisions were not applicable to the Company as the Company had incurred losses during the relevant period.

### **27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year 2019-20, there were no contracts or Arrangements entered into by the Company with related parties. The policy on Related Party Transactions is available on the Company's website '[www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)'.

### **28. INTERNAL FINANCIAL CONTROLS:**

The Board hereby reports that the Internal Financial Controls were reviewed by the Audit Committee and there were adequate Internal Financial Controls existed in the Company with respect to the Financial Statements for year ended on 31<sup>st</sup> March, 2020 and the Internal Financial Controls are operating effectively.

## **CLASSIC FILAMENTS LIMITED**

### **29. RISK MANAGEMENT POLICY:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed and also discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

### **30. CAUTIONARY STATEMENT:**

Statement in the Board's report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

### **31. VIGIL MECHANISM/WHISTLE BLOWER:**

The Board of Directors have set up the Whistle Blower Policy i.e. Vigil Mechanism for Directors and Employees of the Company to report concerns about unethical behaviour, actual or suspected fraud, or violations of Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. The detailed Vigil Mechanism Policy is available at Company's website '[www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)'.

### **32. PREVENTION OF SEXUAL HARASSMENT:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under. No complaints were received during the year under the said policy.

Further, necessary steps are being taken by the Board for complying with provisions of the said Act including constitution of Internal Complaints Committee as referred in the said Act.

### **33. MAINTENANCE OF COST RECORDS:**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not required to be made and maintained.

### **34. SECRETARIAL STANDARD:**

The Company has complied with provisions of Secretarial Standard – 1 and Secretarial Standard - 2.

### **35. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:**

#### **FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes



## **CLASSIC FILAMENTS LIMITED**

no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### **INDUSTRY**

Textile Industry in general is passing through a challenging phase due to multiplicity of reasons beyond its control and trying to cope up with challenges under the grave market condition. However, this phase is likely get over in couple of years and Company will again gain its momentum in the time to come. Further, Company is taking the futuristic view of the business and is under constant endeavor to improve the current condition in order to perform better.

### **BUSINESS OVERVIEW**

The turnover during the year 2019-20 has slipped to Rs. 140.96 Lakhs which was materially down than the turnover during the previous year 2018-19 which stood at Rs. 244.18 Lakhs. Such a significant change was attributable to inflation, economic conditions and countrywide lockdown from the middle of March, 2020 due global pandemic novel coronavirus.

### **MARKETING**

The Company is planning marketing strategy in line with changing situation posed by novel coronavirus to increase the bottom line as well as turnover.

### **SWOT**

Our strength is our determination, weakness is the low equity base, opportunities are multiples and threats are posed by the current and unprecedented economic conditions. Current situation posed by novel corona virus has changed the equations of business conduct and operations. It has become very difficult to operate in the current market which is facing drastic set back. However, we are dedicated towards the Company and presently working on the model suitable to the existing situation.

### **INTERNAL CONTROL**

The Company has an internal control system, commensurate with the size of its operation. Adequate records and documents were maintained as required by laws. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective.

### **SEGMENT WISE REPORTING**

During the year under review, the Company has achieved all sales through one segment only and hence segment wise break up is not available.

### **RISKS AND CONCERNS**

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize losses through detailed studies and interaction with experts.

### **HUMAN RESOURCES & INDUSTRIAL RELATIONS:**

The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to sustenance of growth and enhancement of value for shareholders. However, there are no employees in the Company.

# **CLASSIC FILAMENTS LIMITED**

## **CAUTIONARY STATEMENT**

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigations and labour negotiations.

## **36. ACKNOWLEDGEMENT:**

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities for their co-operation and support and look forward to their continued support in future.

**By order of Board of Directors  
For CLASSIC FILAMENTS LIMITED**

**JAYANTI GAUDANI  
MANAGING DIRECTOR  
DIN: 03571671**

**BHARAT PATEL  
DIRECTOR& CFO  
DIN: 00249234**

**Date: 02.09.2020  
Place: Surat**

# CLASSIC FILAMENTS LIMITED

## Form No. MGT-9

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

CIN	:	L17114GJ1990PLC013667
Registration Date	:	24/04/1990
Name of the Company	:	CLASSIC FILAMENTS LTD
Category / Sub-Category of the Company	:	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	:	Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat-395006  Tel No.-0261-2540570, email ID: <a href="mailto:classicfilaments@ymail.com">classicfilaments@ymail.com</a>
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	<b>Satellite Corporate Services Private Limited</b>  <b>Registered Office Address:</b> Office no.106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Sakinaka, Mumbai-400072. Ph Nos: 022 28520461/462 <a href="http://www.satellitecorporate.com">www.satellitecorporate.com</a> E-mail: <a href="mailto:service@satellitecorporate.com">service@satellitecorporate.com</a> .

#### 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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Wholesaler of Textiles	46411	100

#### PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding subsidiary / associate	% of shares held	Applicable section
1	-	-	-	-	-
2	-	-	-	-	-

#### III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

## CLASSIC FILAMENTS LIMITED

### i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	683350	683350	11.18%	-	683350	683350	11.18%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	-	683350	683350	11.18%	-	683350	683350	11.18%	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	683350	683350	11.18%	-	683350	683350	11.18%	-
<b>B. Public Shareholding</b>									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	200000	200000	3.27%	-	200000	200000	3.27%	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4600	250800	255400	4.18%	5549	252000	257549	4.21%	0.03
ii) Individual	156200	4814000	4970200	81.30%	138204	3588000	4970041	81.30%	-

## CLASSIC FILAMENTS LIMITED

shareholders holding nominal share capital in excess of Rs 1 lakh					1				
c) Others (specify)									
i) HUF	-	400	400	0.01%	-	400	400	0.01%	-
ii) NRI	-	2000	2000	0.03%	-	2000	2000	0.03%	-
iii) Clearing Member	-	2000	2000	0.03%	10	-	10	0.00%	(0.03)
Sub-total(B)(2):	160800	5269200	5430000	88.82%	1387600	4042400	5430000	88.82%	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	160800	5269200	5430000	88.82%	1387600	4042400	5430000	88.82%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	160800	5952550	6113350	100%	1387600	4725750	6113350	100%	-

### ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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.	Radhamohan Mittal	-	-	-	-	-	-	-
2.	Radhamohan Mittal (HUF)	-	-	-	-	-	-	-
3.	Renu Mittal	-	-	-	-	-	-	-
4.	Surbhi Mittal	-	-	-	-	-	-	-
5.	Ruchir Mittal	683350	11.18%	-	683350	11.18%	-	-
	Total	683350	11.18%	-	683350	11.18%	-	-

### iii. CHANGE IN PROMOTERS' SHAREHOLDING ( PLEASE SPECIFY, IF THERE IS NO CHANGE): NIL

### iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	For each of the Top 10 Shareholders				

## CLASSIC FILAMENTS LIMITED

	<b>Bandana Singh</b>				
	At the beginning of the year	485100	7.94	485100	7.94
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			485100	7.94

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Savita Bhaliya</b>				
	At the beginning of the year	400000	6.54	400000	6.54
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			400000	6.54

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Ganeshbhai Sahebraobhai Saigadani</b>				
	At the beginning of the year	386600	6.32	386600	6.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			386600	6.32

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

## CLASSIC FILAMENTS LIMITED

	<b>Chetan Ratibhai Bhanderi</b>				
	At the beginning of the year	334057	5.46	334057	5.46
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			334057	5.46

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	For each of the Top 10 Shareholders  <b>Bhanderi Pradipkumar D</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	300100	4.91	300100	4.91
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			300100	4.91

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	For each of the Top 10 Shareholders  <b>Kalpeshkumar R Bhanderi</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	300000	4.91	300000	4.91
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			300000	4.91

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7.	For each of the Top 10 Shareholders  <b>Dineshkumar Kantilal Mandaliya</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	272993	4.47	272993	4.47

## CLASSIC FILAMENTS LIMITED

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			272993	4.47

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8.	For each of the Top 10 Shareholders  <b>Premjibhai Chhaganlal Ladola</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	264000	4.32	264000	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			264000	4.32

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9.	For each of the Top 10 Shareholders  <b>Sangani Nikunj Kumar M</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	250100	4.09	250100	4.09
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			250100	4.09

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10.	For each of the Top 10 Shareholders  <b>Sandipkumar Mansukhbhai Sangani</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	250000	4.09	250000	4.09
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.	-	-	-	-



## CLASSIC FILAMENTS LIMITED

	allotment / transfer / bonus / sweat equity etc)				
	At the End of the year ( or on the date of separation, if separated during the year)			250000	4.09

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
11.	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Bhanderi Dhirubhai J</b>				
	At the beginning of the year	226850	3.71	226850	3.71
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)			226850	3.71

### v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Bharat Patel</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Jayanti Gaudani</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

## CLASSIC FILAMENTS LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	For each of the Directors and KMP  <b>Subhash Patle</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	For each of the Directors and KMP  <b>Arunaben Kachchhi</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	For each of the Directors and KMP  <b>Bhavesh Dholiya</b>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	100	0.002	100	0.002%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)  Pls enter the date of Transaction and reason for increase or decrease	-	-	-	-
	At the End of the year	-	-	100	0.002%

## CLASSIC FILAMENTS LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	For each of the Directors and KMP  <b>Ankita Shroff</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

#### IV. INDEBTEDNESS:

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

	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				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

#### V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
						-
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of	-	-	-	-	-

## CLASSIC FILAMENTS LIMITED

	the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

### **B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
		-	-	-	-	-
	2. Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

### **C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Ankita Shroff)	CFO	Total
1	Gross salary	-	2,31,000	-	2,31,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-

## CLASSIC FILAMENTS LIMITED

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	2,31,000	-	2,31,000

### VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**For and on behalf of the Board**

**Jayanti Gaudani**  
**Managing Director**  
**DIN: 03571671**

**Bharat Patel**  
**Director & CFO**  
**DIN: 00249234**

**Date: 02.09.2020**

**Place: Surat**

# CLASSIC FILAMENTS LIMITED

## Annexure - 2

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 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,  
**Classic Filaments Limited**  
**Surat.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Classic Filaments Limited** (hereinafter called "the company") for the **financial year ended 31<sup>st</sup> March, 2020**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Classic Filaments Limited ("the Company") for the **financial year ended on 31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; and circulars, notifications, clarifications, Removal of Difficulties Orders or such other relevant statutory material issued by Ministry of Corporate Affairs from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;

## CLASSIC FILAMENTS LIMITED

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable as there was no reportable event during the financial year under review**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014 as amended - **Not applicable as there was no reportable event during the financial year under review**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as there was no reportable event during the financial year under review**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent event during the financial year under review**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as there was no reportable event during the financial year under review**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended- **Not applicable as there was no reportable event during the financial year under review**
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not applicable as there was no reportable event during the financial year under review**
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above.

I further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including a Woman Independent Director. There was no change in composition of Board of Directors during the period under review.

## CLASSIC FILAMENTS LIMITED

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

(iii) All the decisions of the Board and Committees thereof were carried out through with requisite majority.

I further report that there are adequate systems and processes in the Company which is in commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to herein above except stated herein below.:

*1. As per sub regulation (2) of Regulation 31 of SEBI (LODR), promoter(s) and promoters group are required to hold their entire 100% securities of the Company in dematerialised mode. However, Shareholding of the promoters of the Company is not in dematerialised mode and promoters are in the process of dematerialising their securities.*

I further report that during the audit period the company has no major events which require reporting.

Signature:

Name of Company Secretary in practice: Cherry Poddar

ACS No.: A42910

C P No.: 16378

ICSI UDIN: A042910B000652871

**Date: 02.09.2020**

**Place: Kolkata**



# **CLASSIC FILAMENTS LIMITED**

## **Annexure – 3**

### **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

#### **APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The Nomination and Remuneration Committee identifies persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management.

The Committee ascertains the qualifications, expertise and experience of the persons to be appointed as Directors, Key Managerial Personnel and Senior Management and recommends their appointment to the Board of Directors.

The Board then takes the final decision based on the said recommendation.

The Committee evaluates the performance of Directors, Key Managerial Personnel and Senior Management on a yearly basis and recommends their removal, if required.

**By order of Board of Directors  
For CLASSIC FILAMENTS LIMITED**

**JAYANTI GAUDANI  
MANAGING DIRECTOR  
DIN: 03571671**

**BHARAT PATEL  
DIRECTOR & CFO  
DIN: 00249234**

**Date: 02.09.2020  
Place: Surat**

# CLASSIC FILAMENTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### To the members of Classic Filaments Limited

#### Report on the Financial Statement

We have audited the accompanying financial statements of **Classic Filaments Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit & Loss, (Statement of changes in Equity), Statement of Cash Flows for the year then ended, and the summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Management's Responsibility for the Standalone Financial Statements

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

# CLASSIC FILAMENTS LIMITED

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

## Report on Other Legal and regulatory Requirements

1. As required by required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by 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 paragraph 3 & 4 of the Order.
2. As required by section 143(3) of the Act, we further 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, Statement of Profit and Loss Account, Cash Flow Statement and Statement of changes in Equity dealt with this report are in agreement with the books of Accounts;
  - (d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder as amended;
  - (e) On the basis of written representation received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as the directors in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - (g) According to information and explanations given to us and based on our examination of the records of the Company, the Company had not paid/provided managerial remuneration hence requisite approvals mandated by the provisions of Sec 197 of the Act is not applicable;
  - (h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014:

## CLASSIC FILAMENTS LIMITED

1. The Company does not have any pending litigation which would impact its financial
2. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
3. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of delay in transferring such sums does not arise.

### IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

Due to outbreak of Covid-19 globally and in India, the Company had to shut down its operations from March 19, 2020 to May 31, 2020. The operations of the Company were impacted in the second half of March, whereas April, 2020 and May, 2020 reported almost nil sales. The Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Company is in the business of wholesaler in Textile. The demand for the Company's product is expected to be lower in the short term, though we are unable to ascertain the overall impact of it on a long term. Further, the Management believes that there may be negative impact of Covid-19 pandemic on the financial position and performance of the Company, in the short term.

FOR B Choradia & Co  
Chartered Accountants

(Vikash Choradia)  
M.No.158536  
F.No.121083W  
PLACE : Surat  
DATE : 30/06/2020

# CLASSIC FILAMENTS LIMITED

## ANNEXURE "A" TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our report of even date to the members of Classic Filaments Limited on the accounts of the company for the year ended 31.03.2020

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

S. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes.
(ii)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Yes
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	No
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	N.A.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	N.A.
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Yes
(v)	in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	No
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes

## CLASSIC FILAMENTS LIMITED

	(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	N.A.
(viii)	whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	No
(ix)	whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	N.A.
(x)	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	No
(xi)	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	N.A.
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	N.A.
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	NA
(xiv)	whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	N.A.
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with	No
(xvi)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	NA

FOR B Choradia & Co  
Chartered Accountants

(Vikash Choradia)  
M.No.158536  
F.No.121083W  
PLACE : Surat  
DATE : 30/06/2020

# **CLASSIC FILAMENTS LIMITED**

## **ANNEXURE-B TO THE AUDITOR'S 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 **M/S. Classic Filaments Limited** ("the Company") as on 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT 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 designs, 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.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of

## **CLASSIC FILAMENTS LIMITED**

the Company. (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of 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 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 ,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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR B Choradia & Co  
Chartered Accountants

(Vikash Choradia)  
M.No.158536  
F.No.121083W  
PLACE : Surat  
DATE : 30/06/2020



## CLASSIC FILAMENTS LIMITED

### Notes-. SIGNIFICANT ACCOUNTING POLICIES :

#### 1. GENERAL

The Financial Statements have generally been prepared on the historical cost convention. Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

#### 2. BASIS OF ACCOUNTING

The company follows the mercantile system of accounting generally except otherwise stated herein below, if so.

#### 3. FIXED ASSETS

Fixed assets are stated at cost of less accumulated depreciation. No Depreciation has been provided during the year under consideration.

#### 4. INVESTMENTS

Investments are stated at cost.

#### 5. INVENTORIES

The company is not having any type of inventory.

#### 6. REVENUE AND EXPENDITURE RECOGNITION

Revenue is recognized and expenditure is accounted for on their accrual except insurance claim, claims in respect of material purchased and sold which are accounted for on cash basis.

#### 7. DEFER TAX

The Deferred tax is recognized for all temporary differences subject to the consideration of prudence and at currently available rates. Deferred Tax assets are recognized only if there is virtual certainty that they will be realized.

#### 8. FOREIGN CURRENCY TRANSACTION

There is no such transaction during the year.

#### 9. CONTINGENT LIABILITIES

There is no any contingent liability.

#### 10. TRADE RECEIVABLE AND PAYABLE

Balances of trade payable and receivable are subject to confirmation, reconciliation and consequential adjustments, if any.

#### 11. RELATED PARTY TRANSACTIONS

There were no transaction between related concern/parties.

#### 12. Employees Benefit Expenses

Particulars	Current Year	Previous Year
Salary Paid	316000	218200

## CLASSIC FILAMENTS LIMITED

### 13. Details of Payment to Auditors

Particulars	Current Year	Previous Year
As Auditor	25000	25000

14. There is no amount due to Micro & Small Enterprises.

15. Figures of the previous year have been regrouped/re-cast wherever necessary.

### 17. Quantitative Details (All indigenous)

	<u>Qty in Mts</u>	<u>Amount</u>	<u>Qty in Mts</u>	<u>Amount</u>
Fabrics				
Opening Stock	Nil	Nil	Nil	Nil
Add Purchases	<u>257361</u>	13557317	<u>453115</u>	23933335
	257361		453115	
Less: Sales	<u>257361</u>	14095888	<u>453115</u>	24418323
Closing Stock	<u>Nil</u>	Nil	<u>Nil</u>	Nil

# CLASSIC FILAMENTS LIMITED

## CLASSC FILAMENTS LIMITED BALANCE SHEET AS AT 31.3.2020

PARTICULRAS	NOTE	CURRENT YEAR	PRE. YEAR
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipments	1	53,964	67,048
Capital Work in Progress		0	0
Intangible Assets		0	0
Instangible Assets under Development		0	0
<b>Financial Assets</b>			
Investments	2	55,67,881	55,67,881
Loans	3	5,11,30,534	5,23,20,534
Other Non-current Assets	4	2,78,644	2,78,644
<b>Total Non-current Assets</b>		<b>5,70,31,023</b>	<b>5,82,34,107</b>
<b>Current Assets</b>			
Inventories		0	0
<b>Financial Assets</b>			
Investments		0	0
Trade Receivables	5	1,83,26,138	1,84,38,654
Cash & Cash Equivalents	6	13,70,812	13,14,048
Loans		0	0
Other Financial Assets		0	0
Other Current Assets	7	1,47,954	94,613
<b>Total Current Assets</b>		<b>1,98,44,904</b>	<b>1,98,47,315</b>
<b>Total Assets</b>		<b>7,68,75,927</b>	<b>7,80,81,422</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Capital	8	6,11,33,500	6,11,33,500
Other Equity	9	6,81,955	12,53,403
<b>Total Equity</b>		<b>6,18,15,455</b>	<b>6,23,86,903</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings		0	0
Provisions		0	0
Deferred Tax Liabilities (Net)		0	0
Other Non-Current Liabilities		0	0
<b>Toal Non-current Liabilities</b>		<b>0</b>	<b>0</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings		0	0
Trade Payables	10	1,49,75,999	1,56,18,909
Other Financial Liabilities		0	0
Other Current Liabilities	11	84,473	75,610
<b>Total Current Liabilities</b>		<b>1,50,60,472</b>	<b>1,56,94,519</b>
<b>Total Liabilities</b>		<b>1,50,60,472</b>	<b>1,56,94,519</b>
<b>Total Equity and Liabilities</b>		<b>7,68,75,927</b>	<b>7,80,81,422</b>

AS PER OUR REPORT OF EVEN DATE  
FOR B CHORDIA & CO  
CHARTERED ACCOUNTANTS

FOR CLASSIC FILAMENTS LTD

(VIKAS CHORADIA)  
PARTNER  
M.NO 158536  
FRN.121083W  
PLACE : SURAT  
DATE :30/06/2020

DIRECTOR-CFO-BHARAT PATEL  
DIN: 00249234

MANAGING DIRECTOR- JAYANTIBHAI GAUDANI  
DIN:03571671

CS & COMPLIANCE OFFICER-ANKITA SHROFF  
MEMBERSHIP NO.: 36425

# CLASSIC FILAMENTS LIMITED

## CLASSIC FILAMENTS LIMITED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/3/2020

PARTICULARS	NOTE	CURRENT YEAR	PRE YEAR
<b>INCOME</b>			
Value of sales	12	1,40,95,888	2,44,18,323
<b>Revenue from operations</b>		<u>1,40,95,888</u>	<u>2,44,18,323</u>
Other Income	13	0	0
<b>Total Income</b>		<u>1,40,95,888</u>	<u>2,44,18,323</u>
<b>EXPENSES</b>			
Cost of Material Consumed		0	0
Purchase of Stock-in-trade		1,35,57,317	2,39,33,335
Changes in inventories of FG, WIP, Stock		0	0
Excise Duty & Service Tax		0	0
Employee benefit Expenses	14	3,16,000	2,18,200
Finance costs		0	0
Depreciation	1	13,084	15,823
Other expenses	15	7,80,935	8,45,595
<b>Total Expenses</b>		<u>1,46,67,336</u>	<u>2,50,12,953</u>
Profit Before Tax		-5,71,448	-5,94,630
Tax Expenses			
(1) Current Tax		0	0
(2) Deferred Tax		0	0
Profit for the year		<u>-5,71,448</u>	<u>-5,94,630</u>
Other Comprehensive Income			
Item that will not be re-classified to Profit & Loss		0	0
Income Tax related to above		0	0
Item that will be re-classified to Profit & Loss		0	0
Total Other Comprehensive income for the year (net)		<u>0</u>	<u>0</u>
Total Comprehensive income for the year		<u>-5,71,448</u>	<u>-5,94,630</u>
Earning per equity share			
(1) Basic		-0.09	-0.10
(2) Diluted		-0.09	-0.10

AS PER OUR REPORT OF EVEN DATE  
FOR B CHORDIA & CO  
CHARTERED ACCOUNTANTS

FOR CLASSIC FILAMENTS LTD

(VIKAS CHORADIA)  
PARTNER  
M.NO 158536  
FRN.121083W  
PLACE : SURAT  
DATE :30/06/2020

DIRECTOR-CFO-BHARAT PATEL  
DIN: 00249234

MANAGING DIRECTOR- JAYANTIBHAI GAUDANI  
DIN:03571671

CS & COMPLIANCE OFFICER-ANKITA SHROFF  
MEMBERSHIP NO.: 36425

# CLASSIC FILAMENTS LIMITED

## CLASSC FILAMENTS LIMITED NOTES TO BALANCE SHEET & PROFIT & LOSS STATEMENT

PARTICULARS	CURRENT YEAR	PRE YEAR
<b>NOTE-2</b>		
<b>INVESTMENTS</b>		
INVESTMENTS IN SHARES	55,67,881	55,67,881
	<u>55,67,881</u>	<u>55,67,881</u>
<b>NOTE-3</b>		
<b>LOANS</b>		
UNSECURED	5,06,95,534	5,18,85,534
VADODRA STOCK EXCHANGE	4,35,000	4,35,000
	<u>5,11,30,534</u>	<u>5,23,20,534</u>
<b>NOTE-4</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
PRELIMINARY EXPS NOT WRITTEN OFF	2,78,644	2,78,644
	<u>2,78,644</u>	<u>2,78,644</u>
<b>NOTE-5</b>		
<b>TRADE RECEIVABLES</b>		
OTHER DEBTORS	1,64,56,472	1,65,68,988
OLD DEBTORS	18,69,666	18,69,666
	<u>1,83,26,138</u>	<u>1,84,38,654</u>
<b>NOTE-6</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
CASH IN HAND	17,247	1,247
BANK BALANCE IN CURRENT A/C WITH SCHEDULE BANK	13,53,565	13,12,801
	<u>13,70,812</u>	<u>13,14,048</u>
<b>NOTE-7</b>		
<b>OTHER CURRENT ASSETS</b>		
DUTIES & TAXES	1,47,954	94,613
CHOICE EQUITY PVT LTD	0	0
	<u>1,47,954</u>	<u>94,613</u>
<b>NOTE-8</b>		
<b>EQUITY</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
7500000 EQUITY SHARES OF RS.10/- EACH	7,50,00,000	7,50,00,000
	<u>7,50,00,000</u>	<u>7,50,00,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
6113350 EQUITY SHARES OF RS 10/- EACH	6,11,33,500	6,11,33,500
	<u>6,11,33,500</u>	<u>6,11,33,500</u>
SHAREHOLDER HOLDING FOR THAN 5% SHARES	%	NO OF SHARES NO OF SHARES
GANESHBHAI SAIGADANI	6.32	3,86,600 3,86,600
SAVITA BHALIYA	6.54	4,00,000 4,00,000
BANDANA SINGH	7.94	4,85,100 4,85,100
CHETAN BHADERI	5.46	3,34,057 3,34,057
RUCHIR MITTAL	11.18	6,83,350 6,83,350
THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF RS.10/- PER SHARE. EACH		
SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD		
NO SHARES WERE BOUGHT BACK FOR LAST FIVE YEARS		
THERE IS NO UNPAID CALL ON SHARES FROM DIRECTORS AND OFFICERS		

# CLASSIC FILAMENTS LIMITED

## NOTE-9

### OTHER EQUITY

#### A. SHARES PREMIUM ACCOUNT

OPENING BALANCE	1,76,13,000	1,76,13,000
ADD: PREMIUM CREDITED	0	0
LESS: PREMIUM UTILIZED	0	0
CLOSING BALANCE	<u>1,76,13,000</u>	<u>1,76,13,000</u>

#### B. RESERVE FUND

OPENING BALANCE	60,11,674	60,11,674
ADD: CURRENT YEAR TRANSFER	0	0
LESS: WRITTEN BACK IN CURRENT YEAR	0	0
CLOSING BALANCE	<u>60,11,674</u>	<u>60,11,674</u>

#### C. PROFIT & LOSS A/C

OPENING BALANCE	-2,23,71,271	-2,17,76,641
ADD: CURRENT YEAR PROFIT/(LOSS)	-5,71,448	-5,94,630
ADD: LONG TERM CAPITAL LOSS ON SHARES	0	0

## NOTE-1 FIXED ASSETS:

### STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 31.03.2020 (AS PER THE COMPANIES ACT)

		GROSS BLOCK			DEPRICIATION			NET BLOCK	
SR. NO.	PARTICULARS	AS ON	ADD/DEL DURING	TOTAL AS ON	AS ON	DURING	TOTAL AS ON	AS ON	AS ON
		01.04.2019	THE YEAR	31.03.2020	01.04.2019	THE YEAR	31.03.2020	31.03.2020	01.04.2019
1	LAND	46331	0	46331	0	0	0	46331	46331
2	COMPUTER	58822	0	58822	38105	13084	51189	7633	20717
TOTAL		105153	0	105153	38105	13084	51189	53964	67048
PREVIOUS YEAR		85831	19322	105153	22282	15823	38105	67048	46331

NO IMPAIRMENT/REVALATION WERE DONE IN LAST FIVE YEARS

# CLASSIC FILAMENTS LIMITED

## CLASSIC FILAMENTS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2020

PARTICULARS	NOTE	CURRENT YEAR	PRE YEAR
<b>A. EQUITY SHARE CAPITAL</b>			
Balance at the beginning		6,11,33,500	6,11,33,500
Changes during the year		0	0
Balance at the end of reporting period		<u>6,11,33,500</u>	<u>6,11,33,500</u>
<b>B. OTHER EQUITY</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>A. SECURITIES PREMIUM</b>			
Balance at the beginning		1,76,13,000	1,76,13,000
Changes during the year		0	0
Balance at the end of reporting period		<u>1,76,13,000</u>	<u>1,76,13,000</u>
<b>B. RESERVE FUND</b>			
Balance at the beginning		60,11,674	60,11,674
Changes during the year		0	0
Balance at the end of reporting period		<u>60,11,674</u>	<u>60,11,674</u>
<b>C. RETAINED EARNING</b>			
Balance at the beginning		-2,23,71,271	-2,17,76,641
Changes during the year		-5,71,448	-5,94,630
Balance at the end of reporting period		<u>-2,29,42,719</u>	<u>-2,23,71,271</u>
<b>TOTAL</b>		<u><u>6,81,955</u></u>	<u><u>12,53,403</u></u>

AS PER OUR REPORT OF EVEN DATE  
FOR B CHORDIA & CO  
CHARTERED ACCOUNTANTS

FOR CLASSIC FILAMENTS LTD

(VIKAS CHORADIA)  
PARTNER  
M.NO 158536  
FRN.121083W  
PLACE : SURAT  
DATE :30/06/2020

DIRECTOR-CFO-BHARAT PATEL  
DIN: 00249234

MANAGING DIRECTOR- JAYANTIBHAI GAUDANI  
DIN:03571671

CS & COMPLIANCE OFFICER-ANKITA SHROFF  
MEMBERSHIP NO.: 36425

# CLASSIC FILAMENTS LIMITED

## CLASSIC FILAMENTS LTD

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2020

Particulars	Year Ended	
	31-Mar-20	31-Mar-19
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit before Taxation	(571448)	(594630)
Adjustment for:		
Depreciation	13084	15823
Operating Profit before working capital changes	(558364)	(578807)
Changes in working capital :-		
Increase/(Decrease) in trade payables	(642910)	5505560
Increase/(Decrease) in other current liabilities	8863	1672
Increase/(Decrease) in short term provision	0	0
Increase/(Decrease) in other Long-term borrowings	0	0
Increase/(Decrease) in other short-term borrowings	0	0
(Increase)/Decrease in trade receivables	112516	(5234157)
(Increase)/Decrease in inventories	0	0
(Increase)/Decrease in other Assets	(53341)	(83607)
(Increase)/Decrease in Long Term loans and advances	1190000	600000
(Increase)/Decrease in Short Term loans and advances	0	0
Increase/(Decrease) in Deferred tax	0	0
Increase/(Decrease) in last year provision	0	0
Cash generated from Operations	615128	789468
Less:- Taxes paid (For previous year)	56764	210661
Net Cash generated from operations before extraordinary items	56764	210661
Extraordinary items	0	0
Net Cash generated from operating activities	(A) 56764	210661
<b>B. CASH FLOW FROM INVESTING ACTIVITY</b>		
Fixed Asset (Purchased) Sold	0	(19322)
Net Cash generated from Investing activities	(B) 0	(19322)
<b>C. CASH FLOW FROM FINANCING ACTIVITY</b>		
(Increase)/ Decrease Investments	0	0
Loss on sale of Investments	0	0
Share capital including Share premium	0	0
Net Cash generated from Financing activities	(C) 0	0
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	56764	191339
CASH & CASH EQUIVALENTS, AT THE BEGINNING OF YEAR	1314048	1122709
CASH & CASH EQUIVALENTS, AT THE END OF YEAR	1370812	1314048

Note:

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements".

As per out report of even date attached  
FOR B CHORDIA & CO  
CHARTERED ACCOUNTANTS

For Classic Filaments Ltd

(VIKAS CHORADIA)  
PARTNER  
M.NO 158536  
FRN.121083W  
PLACE : SURAT  
DATE :30/06/2020

Director-CFO  
Bharat Patel  
DIN:0024923

Managing Director  
Jayantibhai Gaudani  
DIN: 03571671

CS & Compliance Officer  
Ankita Shroff  
Membership No.: 36425