



September 02, 2022

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400001.

**Scrip Code: 514322**

**Sub.:Annual Report for the Financial year 2021-22 and Notice of 35th (Thirty-Fifth) Annual  
General Meeting ('AGM')**

Dear Madam/Sir,

As required under Regulation 30 and Regulation 34(1) of the SEBI( Listing Obligation and Disclosure Requirements) Regulation, 2015, We submit herewith the Annual Report of the Company for the Financial year 2021-22 along with the Notice convening the 35<sup>th</sup> Annual General Meeting ( "AGM") scheduled to be held on Saturday, September 24, 2022, at 10:00 am Indian Standard Time ('IST') through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') in accordance with the relevant circular issued by Ministry of Corporate Affairs and Securities and Exchange Board of India

In compliance with the aforesaid circulars, the Annual Report along with the Notice of the AGM has been sent only by electronic mode to those shareholders whose E-mail address is registered with the Company/ Registrar and share transfer Agent of the Company /Depository Participant.

The Annual Report along with the Notice of the AGM for the Financial Year 2021-22 is also available on website of the Company at [www.kflindia.com](http://www.kflindia.com).

You are requested to take above information on record.

Thanking you,

Yours faithfully,  
For **Kamadgiri Fashion Limited**

*Deepa.*

**Deepa Toshniwal**  
**Company Secretary**



Encl.: a/a



# KAMADGIRI FASHION LIMITED



## **ANNUAL REPORT**

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### **2021-2022**

# KFL TRUE VALUE



email: [truevalue@kflindia.com](mailto:truevalue@kflindia.com) | [www.kflindia.com](http://www.kflindia.com)

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# KAMADGIRI FASHION LIMITED

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# KAMADGIRI FASHION LIMITED

## CORPORATE INFORMATION

### **Board of Directors**

#### **Mr. Pradip Kumar Goenka**

Chairman & Managing Director (DIN: 00516381)

#### **Mr. Anil Biyani**

Non-Executive Director (DIN: 00005834)

#### **Mr. Rahul Mehta**

Independent Director (DIN: 00165521)

#### **Ms. Bindu Shah**

Independent Director (DIN: 07131459)

#### **Mr. Tilak Goenka**

Executive Director (DIN: 00516464)

#### **Mr. Amit Somani**

Independent Director (DIN: 06901790)

### **Chief Executive Officer**

Mr. Abhay Kumart

### **Chief Financial Officer**

Mr. Jagdish Prasad Dave

### **Company Secretary**

Mrs. Deepa Toshniwal

### **Statutory Auditors**

M/s. DMKH & Co.

Chartered Accountants, Mumbai

### **Bankers**

State Bank of India

Bank of Baroda

### **Registered Office**

C.T.S. No. 620 & 638, Ground Floor,  
Advance House, Plot\_ A, ARK Industrial  
Estate Compound, Makwana Road, Marol Naka,  
Andheri (East) Mumbai 400059

Tel: (+91 22) 6943 3000

Website: [www.kflindia.com](http://www.kflindia.com)

Email: [cs@kflindia.com](mailto:cs@kflindia.com)

### **CIN**

L17120MH1987PLC042424

### **Factory/Plant**

43/2 & 42/1, Ganga Devi Road,  
Umbergaon - 396171  
Dist. Valsad (Gujarat).

C-4/2/2, MIDC, Tarapur - 401506  
Dist. Thane (Maharashtra).

Survey No. 573, Shed No. B, C and D, Sanjan-  
Nargol bypass road, Sanjan, (Gujarat).

### **Registrar & Share Transfer Agent**

Link Intime India Private Limited

C-101, Embassy 247, L.B.S Marg,  
Vikhroli (West), Mumbai – 400083.

Tel No.: (+91 22) 28515606/49186000/49186270

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## BOARD'S REPORT

Dear Members,

Your Director's are pleased to present the 35th Annual Report on the business and operation of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2022.

### FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Audited			
	Standalone		Consolidated	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Income from operations	25,732.37	13,991.11	25,732.37	13,991.11
Other Income	18.06	377.11	18.06	377.11
Net Profit/(Loss) for the period (Before Exceptional and/or Extraordinary items)	94.95	(800.14)	94.95	(800.14)
Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	94.95	(800.14)	94.95	(800.14)
Less: Provision for current tax	26.07	-	26.07	-
Less: Tax adjustment of earlier years	-	-	-	-
Less: Net deferred tax assets	3.69	(221.31)	3.69	(221.31)
Less: Profit / (Loss) of associate	-	-	(32.24)	-
<b>Profit / (Loss) after tax</b>	<b>65.19</b>	<b>(578.83)</b>	<b>32.95</b>	<b>(578.83)</b>
Other Comprehensive Income	4.98	36.05	4.98	36.05
Earnings Per Share (of ₹ 10/-each)				
Basic : (in ₹)	1.11	(9.86)	0.56	(9.86)
Diluted : (in ₹)	1.11	(9.86)	0.56	(9.86)

### COMPANY'S PERFORMANCE

With Normalcy slowly returning Financial year 2021-22 has been a challenging year for the Company. All the business segments of the Company demonstrated resilience on the back of improved market sentiment, conducted efficient business operations and adopted best industry practices. Overall, the Company saw better performance in all its segments, as compared to the previous year.

despite disruptions caused due to 2nd and 3rd waves of Covid-19 pandemic, as the threat of reoccurrence of pandemic is still looming, the Company continues to assess and monitor the business operations regularly and is taking all possible precautions in terms of safety of its staff and workers at all the locations of its offices and manufacturing plants. During the year under review, the Company has achieved a turnover of ₹ 25,732.37 Lakhs as compared to ₹ 13,991.11 Lakhs in the previous year. The Company has opted alternate plans and tapped available opportunities to continue to run its operations. The Standalone profit after tax for the financial year 2021-22 was 65.19 Lakhs and Consolidated profit after tax for the financial year 2021-22 was ₹ 32.95 Lakhs as compared to Loss after tax of ₹ (578.83) Lakhs during the previous year.

### FUTURE PLAN

The past couple of years have been a period of intense action and reflection. We have seen a global pandemic, geopolitical tension, supply chain disruption, the rise of cryptocurrency and many other public and private upheavals. As the dust settle and a clear picture of the world ahead emerges. Now we are standing at the threshold of a period of great opportunity and growth.

### DIVIDEND

Considering the less profit in Company's financial results during the year under review, the Board of Directors (**'the Board'**) have not proposed any dividend for the year.

### PUBLIC DEPOSIT

The Company has not accepted any deposit from public during the year under review.

### TRANSFER TO RESERVES

In view of less profit, the Board has decided not to transfer any amount to General Reserves for the financial year ended March 31, 2022.

### CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), a separate report on Corporate Governance is enclosed as a part of this Annual Report. A Certificate from Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations is also enclosed along with the Corporate Governance Report.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as required under Regulation 34 read with Schedule V of the Listing Regulations forms part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 (**'the Act'**), with respect to Directors' Responsibility Statement it is hereby confirmed that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- 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 as at March 31, 2022 and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts for the financial year ended March 31, 2022, on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Sanjeev Maheshwari, the Independent Directors of the Company, give his resignation from the position with effect from September 7, 2021 due to the restricted overall mobility of human resources in Mumbai as a result of impact of COVID 19 restriction and consequently requirement of him spending more time on his core profession of CA practice

In order to fill vacancy created in Board by resignation of Mr. Sanjeev Maheshwari, Mr. Sunil Agrawal was appointed as Independent Director with effect from 14 November, 2021 to hold office for a term of 5 (five) consecutive years up to November 14, 2026, in line with the provisions of Section 149 and other applicable provisions of the Act, including the rules made thereunder and the erstwhile Listing Agreement. However, due to personal reason and other Occupancies. Mr. Sunil Agrawal, the Independent Director of the Company, gave his resignation from the position with effect from 21 February, 2022.

The Management then considered candidature of Mr. Amit Somani and he was appointed as Independent Director with effect from 10 August, 2022 to hold office for a term of 5 (five) consecutive years up to August 10, 2027, in line with the provisions of Section 149 and other applicable provisions of the Act, including the rules made thereunder and the erstwhile Listing Agreement.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Additional information on appointment/re-appointment of Directors as required under Regulation 36(3) of the Listing Regulations is given in the Notice convening the ensuing AGM.

In terms of Section 152 of the Act and Reg 17 (1C) of Sebi (LODR), Reg 2015, Mr. Anil Biyani retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Additional information on appointment/re-appointment of Directors as required under Regulation 26(4) and 36 of the Listing Regulations is appended as on annexure to the notice convening the ensuing AGM.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report. The appointment of Director's are made based on merit, apart from compliance of legal and contractual requirements, that complements and expands the skills, experience and expertise

of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the NRC might consider relevant for the Board to function effectively. While appointing any person as an Independent Director, utmost care is to be taken as to the independence of such person.

#### **NUMBER OF BOARD MEETINGS**

The Board met 5 (Five) times during the year under review. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Act and Regulation 17(10) and Regulation 25(4) of the Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Independent Director being evaluated.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

#### **COMPANY'S INVESTMENT**

Your Company had incorporated a Wholly owned Subsidiary Company, Metawear Limited (Metawear) on 25<sup>th</sup> November, 2021. The holding of the Company in Metawear was subsequently reduced due to further issuance of shares to other parties but the said company continued to be subsidiary Company. However, as part of strategic arrangement, the control of the said company was held by the other shareholder and hence no consolidation was effected in books of the Company as subsidiary company and it was consolidated as associate company as per the opinion received by the Company in this respect and confirmed by the auditors as well. Further due to further investment by other investors Metawear lost its status as subsidiary company of the Company with effect from May 20, 2022.

#### **COMMITTEES OF THE BOARD**

##### **Audit Committee**

During the year under review, the Audit Committee of the Company comprised of 2 (two) Independent Directors viz., Mr. Rahul Mehta as Chairman and Ms. Bindu Shah and 1 (one) Non-executive Director viz., Mr. Anil Biyani There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report. The Company Secretary act as a Secretary of Audit Committee.

##### **Other Committees**

Details of other Committees of the Board along with their terms of reference, composition and meeting(s) held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

During the year under review, M/s. DMKH & Co., Chartered Accountants, Mumbai were appointed as statutory auditors of your

Company at the 33rd (Thirty Third) AGM held on September 29, 2020 for a term of 5 (five) consecutive years and they hold office till the conclusion of 38th (Thirty-Eight) AGM.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### **Statutory Auditors Observation in Corporate Governance Certificate**

As per the SEBI Regulation 17(1)(b) where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors. In the said company out of 3 Independent Directors, one Independent Director Mr. Sunil Agrawal (DIN: 07066046) has resigned on 21st February, 2022, thereby causing non-compliance of having of at least half of the board of directors to be independent directors, as the casual vacancy arising in the office of independent directors has not yet been filled.

#### **Our Comments is as under:**

The Company management was aware of the casual vacancy created by resignation of Independent Director, Mr. Sunil Agrawal, the management was in search of a suitable replacement who would have similar skill set and would be able to take up responsibility as Independent Director as well as Audit Committee Chairman. This search process took little more time and hence the composition of Board remain Non compliance for a period of 13 week. The Board's pleased to inform that now with appointment of Mr. Amit Somani, the composition of Board is full compliant with applicable Listing Regulation.

#### **Secretarial Auditor**

The Company has appointed M/s. HS Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2021-22 in terms of provisions of Section 204 of the Act. The Secretarial Audit Report for the year ended March 31, 2022 is annexed to this report as **Annexure B**.

#### **Cost Auditor**

As per the requirement of Central Government pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Textile products every year.

The Board, on the recommendation of Audit Committee, has appointed Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit the accounts of the Company for the financial year 2022-23. As required under the Act, a resolution seeking ratification of members for the payment of remuneration to Cost Auditor forms part of the Notice convening the AGM.

The Cost Audit report for the financial year 2020-21 was filed with the Ministry of Corporate Affairs.

#### **REPORTING OF FRAUDS**

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

#### **POLICIES & DISCLOSURE REQUIREMENTS**

Details of programme for familiarisation of Independent Directors with the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Policy on dealing with related party transactions is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>. Policy for determining Materiality of Events of the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

The code of conduct for Directors and senior management of the Company is available on website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Act and Regulation 4(2)(d)(iv) of the Listing Regulations. Policy on Whistle Blower is available on website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The company has constituted a Corporate Social Responsibility committee (CSR committee) in accordance with Section 135 of the Act. The Board of directors of the company has based on recommendation made by CSR committee, formulated and approved CSR Policy of the company and which has also been placed on website at a weblink: <https://www.kflindia.com/wp-content/uploads/2019/01/CORPORATE-SOCIAL-RESPONSIBILITY.pdf>

The disclosure including inter-alia the composition of CSR committee and the brief outline of CSR Policy as per Rule 8 of Companies (Corporate Social Responsibility policy) Rule 2014 is made in prescribed form which is annexed to this report as **Annexure A**.

#### **SECRETARIAL STANDARDS**

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board ("SS-1") and on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

#### **ANNUAL RETURN**

In terms of provisions of Section 134 and 92(3) of the Act, an Annual Return in prescribed format is available on the Company's website at the following link <https://www.kflindia.com/annual-return/>.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, all transactions entered by the Company with related parties as defined under the Act and Regulation 23 of the Listing Regulations, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company.

Disclosure of transactions with related parties as required under the Indian Accounting Standard (IND AS-24) has been made in the notes forming part of the financial statements. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company.

#### **MATERIAL CHANGES AND COMMITMENTS**

Your directors further state that there were no material changes have been taken place, other than as provided in this report, that could have an impact on the financial position of the company from the date of closure of financial year under review till the date of signing of this report.

#### **VIGIL MECHANISM**

The company has established a vigil mechanism to provide a framework to promote responsible and secure whistle blowing and

to provide a channel to the employee(s) and director to report to the management, concern about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy/ies of the company as adopted/framed from time to time. The mechanism provide for adequate safeguard against victimization of employees and directors to avail of the mechanism and also provide for direct access to the chairman of the audit committee in exceptional cases.

#### **PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE ACT**

The Company has not granted any loans, not provided any Guarantee and not made any Investments which are covered under the provision of Section 186 of the Act.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given as **Annexure C**. The Company being focusing in Indian market, it has not taken any export initiative.

#### **PARTICULARS OF EMPLOYEES**

Disclosure as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed there under, the names and other particulars of employees are provided under **Annexure D** is annexed to this Report.

A statement containing the particulars as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Annual Report.

In accordance with the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available on the Company's website [www.kflindia.com](http://www.kflindia.com).

#### **RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROL**

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 through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aim at prevention of harassment of employees and lay down the guideline for identification reporting and prevention of sexual harassment. The company has complied with the provision relating To Internal Complaint Committee (ICC). Further ICC is responsible for redressal of complaint related to sexual harassment and follow the guideline as provided in the policy.

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

#### **TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF.

The following table provides the due dates for the transfer of outstanding unpaid/unclaimed dividend by the Company as on March 31, 2022:

<b>Year of Dividend</b>	<b>Date of declaration</b>	<b>Last date for claiming due amount</b>
2014-2015 (Final)	25/09/2015	31/10/2022
2015-2016 (Final)	19/09/2016	25/10/2023
2016-2017 (Final)	19/09/2017	25/10/2024
2017-2018 (Final)	25/09/2018	31/10/2025
2018-2019 (Final)	24/09/2019	30/10/2026

During the year under review, 1,620 Equity shares and ₹ 59,507/- as unclaimed dividend were transferred to IEPF.

#### **EQUITY SHARES IN THE SUSPENSE ACCOUNT**

During the year under review, and in accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, there were no shares transferred to suspense account.

#### **PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2022.

#### **ACKNOWLEDGEMENT**

The Board wishes to place on record their sincere appreciation to all the bankers, customers, employees at all levels and stakeholders for the continued support and patronage during the year under review.

**For and on behalf of the Board**

**August 10, 2022  
Mumbai**

**Pradip Kumar Goenka  
Chairman & Managing Director**

**ANNEXURE A****Annual Report on CSR Activities for Financial Year 2021-22****1. Brief outline on CSR Policy of the Company**

The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto.

**2. Composition of CSR Committee**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Pradip Kumar Goenka	Chairman	NA	NA
2.	Mr. Rahul Mehta	Member	NA	NA
3.	Mr. Anil Biyani	Member	NA	NA

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

i. <https://www.kflindia.com/committee-of-directors/>

ii. <https://www.kflindia.com/wp-content/uploads/2019/01/CORPORATE-SOCIAL-RESPONSIBILITY.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable******5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	N.A	Nil	Nil
TOTAL		Nil	Nil

**6. Average net profit of the company as per section 135(5). : Nil**

7. (a) Two percent of average net profit of the company as per section 135(5) : Nil

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). : Nil

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in `)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.	
Not Applicable	Nil	-	Nil	Nil	Nil

**(b) Details of CSR amount spent against ongoing projects for the financial year: Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
	TOTAL	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
	TOTAL	-	-	-	-	-	-	-	-	-	-	-

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil
- (g) Excess amount for set off, if any : Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
-	-	-	-	-	-	-	-
-	TOTAL	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

- (a) Date of creation or acquisition of the capital asset(s). **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset. **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**Not Applicable**

Mr. Tilak Goenka  
 (Executive Director)

Mr. Pradip Kumar Goenka  
 (Chairman CSR Committee)

Place: Mumbai  
 Date: May 27, 2022

**ANNEXURE B**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR FINANCIAL YEAR ENDED ON MARCH 31, 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015]

To,  
 The Members,  
**Kamadgiri Fashion Limited.**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, to the extent applicable provisions of:

- I. The Companies Act, 2013 ('**the Act**') and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e. The Company has in general complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Textile Sector as given below:
  - (I) The Environment (Protection) Act, 1986 and Rules made there under;
  - (II) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards;
  - (III) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the Sate Pollution Control Boards.

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

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India with respect to board and general meetings respectively.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('**SEBI LODR**').

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

**We further report that:**

The Board of Directors of the Company is constituted with balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

We further report that during the Audit period:

1. Board accepted resignation of Mr. Gaurav K. Soni as Company Secretary & Compliance Officer of the company w.e.f 30<sup>th</sup> June, 2021 and appointed Mrs. Deepa Toshniwal as Company Secretary & Compliance Officer w.e.f 20<sup>th</sup> July, 2021.
2. Board accepted resignation of Mr. Sanjeev Maheshwar (DIN: 02431173) as Non-Executive Independent Director w.e.f 7<sup>th</sup> September, 2021 and appointed Mr. Sunil Agrawal (DIN: 07066046) as Non-Executive Additional Independent Director w.e.f 14<sup>th</sup> November, 2021 who subsequently resigned w.e.f 21<sup>st</sup> February, 2022. Due to resignation of Mr. Sunil Agrawal (DIN: 07066046) as a Non-Executive Additional Independent Director w.e.f 21<sup>st</sup> February, 2022, the composition of Board of Directors was not in compliance with Regulation 17(i)(b) of SEBI (LODR) Regulations, 2015 till 22<sup>nd</sup> May, 2022. However, Board Appointed one more Non-Executive Additional Independent Director w.e.f 10<sup>th</sup> August, 2022. Thus as on signing of this Report, Company is in compliance of Regulation 17(i)(b) of SEBI (LODR) Regulations, 2015.
3. Board incorporated Metawear Limited on 25<sup>th</sup> November, 2021 a Wholly owned Indian Subsidiary Company which was subsequently converted into Subsidiary Company due to further issue of shares w.e.f 7<sup>th</sup> March, 2022. However as on the date of signing of this report, Due to further investment by other investors dated 20<sup>th</sup> May, 2022 the said Subsidiary Company was converted into an Associate Company.
4. The Company at its 34<sup>th</sup> Annual General Meeting held on Monday; September 27, 2021 passed following resolutions:
  - a. A Special Resolution pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for re-appointment of Mr Pradip Kumar Goenka as Chairman and Managing Director of the Company for a period of three year from August 26, 2021 to August 25, 2024 and fixation of his remuneration.
  - b. A Special Resolution pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for re-appointment of Mr Tilak Goenka as Executive Director of the Company for a period of three year from August 14, 2021 to August 13, 2024 and fixation of his remuneration
  - c. An Ordinary Resolution pursuant to Section 148 and all other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for Ratification of Remuneration payable to Cost Auditor of the Company for the financial year ended March 31, 2022.
5. Board transferred 1,620 (One-Thousand Six Hundred and Twenty) equity shares in respect of unpaid/unclaimed dividend to IEPF authority for the financial year ended 2013-14 pursuant to Section 124(5) of the Act read with applicable rules made thereunder.

**For HSPN & Associates LLP**  
**Company Secretaries**

**Hemant S. Shetye**  
**Designated Partner**  
**FCS No.: 2827**  
**CP No.: 1483**

**Date: 10<sup>th</sup> August, 2022**

**Place: Mumbai**

**ICSI UDIN:F002827D000771969**

**Peer Review No: P2007MH004300**

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

**Annexure - I**

To,  
The Members,  
**Kamadgiri Fashion Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For HSPN & Associates LLP  
Company Secretaries**

**Hemant S. Shetye  
Designated Partner  
FCS No.: 2827  
CP No.: 1483**

**Date: 10<sup>th</sup> August, 2022  
Place: Mumbai  
ICSI UDIN:F002827D000771969  
Peer Review No: P2007MH004300**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KAMADGIRI FASHION LIMITED** having CIN **L17120MH1987PLC042424** and having registered office at **A-403, THE QUBE M.V. ROAD, MAROL, ANDHERI (EAST) MUMBAI- 400059** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	ANIL L BIYANI	00005834	29/05/2012
2.	RAHUL MEHTA NARENDRA	00165521	14/02/2011
3.	PRADIP KUMAR NARAYAN PRASAD GOENKA	00516381	26/08/2015
4.	TILAK PRADIP GOENKA	00516464	14/08/2018
5.	SANJEEV MAHESHWARI	02431173	14/02/2011 (Resigned w.e.f 7 <sup>th</sup> September,2021)
6.	BINDU DARSHAN SHAH	07131459	21/03/2015
7.	SUNIL AGRAWAL	07066046	14/11/2021 (Resigned w.e.f 21 <sup>st</sup> February, 2022)

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

**For HSPN & Associates LLP**  
**Company Secretaries**

**Hemant Shetye**  
**Designated Partner**  
**FCS: 2827**  
**COP: 1483**  
**Mumbai.**  
**Date: 10<sup>th</sup> August, 2022**  
**ICSI UDIN: F002827D000771980**

**ANNEXURE C****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC**

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

<b>(A) Conservation of Energy</b>	
(i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the Company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/ store premises to optimize the consumption of energy.
(iii) the capital investment on energy conservation equipments	Nil
<b>(B) Technology absorption</b>	
(i) the efforts made towards technology absorption	N.A.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof.	N.A.
(iv) the expenditure incurred on Research and Development	Nil
<b>(C) Foreign exchange earnings and Outgo</b>	
	Nil

For and on behalf of the Board

May 27, 2022  
Mumbai

Pradip Kumar Goenka  
Chairman & Managing Director

**ANNEXURE D**
**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- I. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director/ KMP and Designation	Remuneration/Sitting fees of Director/KMP for financial year 2021-22 (₹ in Lakhs)	% increase in remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director to MRE for Financial Year 2021-22
Mr. Pradip Kumar Goenka (Chairman & Managing Director)	45.00	Nil	23.45%
Mr. Tilak Goenka (Executive Director)	44.30	Nil	24.97%
Mr. Anil Biyani (Non-Executive Director)	0.52	N.A.	N.A.
Mr. Rahul Mehta (Independent Director)	0.82	N.A.	N.A.
Ms. Bindu Shah (Independent Director)	1.06	N.A.	N.A.
Mr. Jagdish Prasad Dave (Chief Financial Officer)	13.88	Nil	N.A.
Mrs. Deepa Toshniwal (Company Secretary)	3.16	Nil	N.A.

- II. The MRE of the Company during the financial year was ₹ 1.92 Lakhs previous year it was ₹ 1.50 Lakhs.
- III. The Increase in MRE in the financial year 2021-22, as compared to the financial year 2020-21 by 27.95%.
- IV. There were 1748 permanent employees on the rolls of Company as on March 31, 2022.
- V. Average percentage Increase made in the salaries of employees other than the managerial personnel in financial year i.e. 2021-22 as 12.72%. As regards, comparison of managerial remuneration of 2021-22 over 2020-21, details of the same are given in the above table at sr. no. I.
- VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**For and on behalf of the Board**

May 27, 2022  
 Mumbai

**Pradip Kumar Goenka**  
 Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY OVERVIEW

While many indicators pointed to green shoots of recovery after leaving the worst of the COVID-19 pandemic behind, the unexpected all-out war in Eastern Europe towards the end of the financial year has brought tremendous human suffering, massive volatility to prices of crude oil and gas, and great uncertainty to the integrated supply chain affecting most of the commodities and especially metals, plastics and Textiles for the Company. The Covid-19 pandemic and the resultant national restrictions had already cast their spell on two crucial business periods during the fiscal period. However, the largely materials and components due to global supply chain constraints and spiralling commodity cost While India's pathway to sustain high single-digit growth has become more complicated, its underlying robust economic fundamentals, dovetailed with governmental thrust on self-sustaining development, are expected to insulate its long-term outlook from the current short-term turbulence.

### INDIAN TEXTILES INDUSTRY

The domestic textile and apparel market had declined during the peak of the pandemic in 2020. Market is still recovering and is yet to reach 2019 levels, however with strong domestic demand fundamentals the market is expected to recover fully soon and is further expected to grow at a significant pace.

The government of India has also been very proactive in incentivizing and encouraging the textile industry to invest through key policy initiatives. The government has introduced Production Linked Incentive Scheme for textile industry under which incentives will be provided to industry for setting textile and apparel Manufacturing in key man-made fiber-based products. This will help in attracting investment in the entire value chain of manmade textiles in India in the near term.

The Union Cabinet also approved PM MITRA (Mega Integrated Textile Region and Apparel) parks scheme for the textile sector to set up seven integrated textile parks in the country, as announced in Union Budget for 2021-22. The parks will offer an opportunity to create an integrated textile value chain, right from spinning, weaving, processing/ dyeing and printing to garment manufacturing, at one location. World-class industrial infrastructure would attract cutting edge technology and boost FDI and local investment in the sector.

### KEY GROWTH DRIVERS FOR INDIA

\*Technology: The technology sector had a great year in 2021-22.

\*Service Sector: It is the fastest-growing sector in the Indian economy and is a key driver of India's economic growth.

\*Health and Nutrition Products.

\*Healthcare Sector.

\*Infrastructure.

### OPPORTUNITIES AND THREATS OPPORTUNITIES

\*Production-Linked Incentive (PLI) Scheme in Man-made fiber and technical textiles with financial outlay under Atmanirbhar Bharat package

\*Availability of skilled manpower

\*Large and growing domestic market

\*It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry.

### THREATS

- Competitive manufacturing costs
- Obsolete Machinery
- Erratic Power Supply
- Low Productivity of Labour

### PERFORMANCE REVIEW

Weaving business continues to show good performance. Performance of finished fabric unit which caters to readymade garment manufacturers and brands was satisfactory. 'True Value' the value for money brand of the Company for quality suiting's and shirting's and 'True Linen' linen fabric brand of the Company have maintained its established recall value and its loyal customer base in addition to adding new customer base. Previous year setup readymade garment manufacturing unit at Sanjan, Gujarat is also gradually achieve its optimum capacity.

### OUTLOOK

The Company expect to be on a profitable growth momentum. In the Domestic market, The overall consumer sentiments are positive with the wedding season and increased social gatherings. With increasing demand for nonwoven and technical textiles, Company's increased focus on specialty product, exports . The Company is focused on liquidity management through cost reduction initiative and working capital optimization with a stated aim of becoming a less debt company in next few years.

### RISK MANAGEMENT

Risks and threats are precursors to corporate crisis situations. Some risks are universal and threaten every Company, while others are relative and depend on an organisation's business or industry. No matter which risks or threats apply to a company, it is essential that they have an up-to-date crisis management plan in place to deal with the crisis when the risk becomes a reality.

### INTERNAL CONTROL SYSTEMS

Your Company has an adequate internal financial control system commensurate with the size and complexity of its operations. Necessary checks and controls are in place to ensure that all assets are safeguarded, to detect and prevent errors and frauds and that the transactions are proportionately verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conduct Audit of various departments to ensure that internal controls are in place and submit Quarterly Reports to the Audit Committee. The Audit Committee regularly reviews these Reports, and the Company, when needed, takes corrective actions. The Internal Auditors also audit the effectiveness of the Company's internal financial control system. No significant inefficiencies were reported.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE SALES

The Company's Sales were at ₹ 25732.37 Lakhs for the financial year ended March 31, 2022 as against ₹ 13,991.11 Lakhs in the previous financial year. Because of second wave and new virus variants have posed various challenges to the overall operations and business of the Company.

### LOSS/PROFIT BEFORE TAX

Profit Before Tax of the Company for the financial year ended March 31, 2022 stood at ₹ 94.95 Lakhs as against Loss after tax

of ₹ (800.14) Lakhs in the previous financial year. The operations of the Company have been impacted by the restricted business operations due to restrictions imposed to curb spread of COVID-19 pandemic during the last financial year 2020-21 and the impact of the same is elongating in the financial year 2021-22 too.

#### INTEREST

Interest & other borrowing cost outflow is ₹ 793.11 Lakhs for the financial year ended March 31, 2022 as against ₹ 810.74 Lakhs in the previous financial year.

#### NET LOSS/PROFIT

Standalone Net Profit of the Company for the financial year ended March 31, 2022 stood at ₹ 65.19 Lakhs as against Loss of ₹ (578.83) Lakhs in the previous financial year. Consolidated Net Profit of the Company for the financial year ended March 31, 2022 stood at ₹ 32.95 Lakhs as against Loss of ₹ (578.83) Lakhs in the previous financial year. Because of second wave and new virus variants have posed various challenges to the overall operations and business of the Company.

#### DIVIDEND

Considering the low profit in Company's financial results during the year under review, the Board of Directors have not proposed any dividend for the year.

#### CAPITAL EMPLOYED

The capital employed in the business is ₹ 1,01,147 Lakhs as at March 31, 2022. Return on Capital employed during 2021-22 is 0.88% as compared to 0.12% during the previous financial year 2020-21.

#### SURPLUS MANAGEMENT

The Company had incurred cash profit of ₹ 681.30 Lakhs for the financial year ended March 31, 2022 as compared to cash loss of ₹ (143.11) Lakhs in the previous financial year.

#### SIGNIFICANT FINANCIAL RATIOS

Particulars	2021-22	2020-21	2019-20
Operating profit margin (%)	0.27	(3)	20
Net profit margin (%)	0.26	(4.27)	(1.36)
Debtors turnover (times)	4.69	2.84	5.68
Inventory turnover (times)	2.59	2.21	3.24
Debt equity ratio (times)	2.78	1.58	1.34
Current ratio (times)	1.22	1.10	1.15
Interest service coverage ratio (times)	111.97	1.31	1.23
Return on Net worth (%)	2	(15)	(9)

#### **Debt- Equity ratio of the company has increased from 1.58 in the previous financial year to 2.78 as a March 31, 2022**

The operations of the Company have been impacted by the restricted business operations due to impact of COVID-19 pandemic during the last financial year 2020-21 and the impact of the same is elongating in the financial year 2021-22

#### EARNINGS PER SHARE ('EPS')

The Company's Standalone Basic EPS has increased from ₹ (9.86) in the previous financial year to ₹ 1.11 and Diluted EPS has increased from ₹ (9.86) in the previous financial year to ₹ 1.11 for the financial year ended as on March 31, 2022. The Company's Consolidated Basic EPS has increased from ₹ (9.86) in the previous financial year to ₹ 0.56 and Diluted EPS has increased from ₹ (9.86) in the previous financial year to ₹ 0.56 for the financial year ended as on March 31, 2022.

#### HUMAN RESOURCE

Your Company strongly believes that its employees are its biggest assets and have played a major role in its growth. The Company has permanent employee strength of 1748 as on March 31, 2022. The Company believes in inclusive growth and being an employer of choice. As the Company has now three different operating units, human resource and relationship with the employees plays a key role in its smooth operations. The Company pays required attention on the development and social needs of workers and staff. The Company is in a continuous process of evaluating, training, motivating and rewarding its employees for their unstinted performance and contributions to the Company so that the Company also receives the same in future.

#### CAUTIONARY STATEMENT

Statement in the report of management discussion and analysis and/or elsewhere in this Annual report contains "forward looking statement" which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectation or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

*The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise and forward-looking statements, on the basis of any subsequent development, information or events.*

## CORPORATE GOVERNANCE REPORT

The Board of Directors (**‘the Board’**) of the Company lays great emphasis on the broad principles of Corporate Governance. Thus, Directors present the Company’s Report on Corporate Governance for the year ended March 31, 2022, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘Listing Regulations’**). Your Company ensures compliance with the regulations 17 to 27 read with Chapter V and clause (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the applicable provisions of the Companies Act, 2013 including amendments thereto (the **‘Act’**).

### 1. COMPANY’S PHILOSOPHY ON CODE ON GOVERNANCE

Company’s policy on Corporate Governance is based on the principles of accountability, integrity and transparency. The Company reiterates its commitment to adhere to the highest standards of Corporate Governance.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

### 2. BOARD OF DIRECTORS

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 (**‘the Act’**) and Regulation 17 of Listing Regulations till February 21, 2022. Further the Company has time of three months to fill the vacancy created by resignation of the Independent Director or to appoint a new director in place of resigning director. However, due to one of the Promoter being the Executive Chairman of the Company, at any given point of time, 50% of the Board should comprise of Independent Directors, which could not have been complied with for the period commencing from February 22, 2022 till appointment of Mr. Amit Somani on August 10, 2022. As on March 31, 2022, the strength of the Board as on March 31, 2022 is 5 (Five) Directors comprising of 2 (two) Promoter Directors, 1 (one) Non-Executive Director and 2 (two) Independent Directors. ( Appointment of one ID is in process)

Name of Director & Category	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships#		No. of Memberships/ Chairmanships of Committees in other public companies##	
		Public	Private/ Non-profit	Memberships	Chairmanship
Mr. Pradip Kumar Goenka (Promoter & Executive)	None	-	1	-	-
Mr. Anil Biyani (Non-Executive & Non-Independent)	None	1	5	1	1
Mr. Rahul Mehta (Non-Executive & Independent)	Gini & Jony Limited	1	6	1	-
Mr. Sanjeev Maheshwari (Non-Executive & Independent) Resigned on 07/09/2021	Mudra Share & Stock Broker Limited	1	1	-	-
Ms. Bindu Shah (Non-Executive & Independent)	Fineotex Chemical Limited	1	-	2	1
Mr. Tilak Goenka (Promoter & Executive)	None	-	2	-	-
Mr. Sunil Agrawal (appointed wef 14/11/2021) (Non-Executive & Independent) Resigned on 21/02/2022	None	-	-	-	-

# No. of directorships held by the Directors does not include directorships in foreign companies

## In accordance with Regulation 26 of Listing Regulations, Memberships/Chairmanships of only Audit Committee and Stakeholders’ Relationship Committee in all other public limited companies have been considered.

#### Board Meetings

During the financial year 2021-22, 5 (Five) Board Meetings were held i.e. on June 28, 2021, August 11, 2021, November 14, 2021 and January 11, 2022 and January 31, 2022. The time gap between two meetings did not exceed maximum period mentioned under the Section 173 of the Act and the Regulation 17(2) of the Listing Regulations. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Name of Directors	No. of Board meetings attended	Attendance at last Annual General Meeting	No. of shares held
Mr. Pradip Kumar Goenka	5	Present	6,49,200
Mr. Anil Biyani	5	Present	Nil
Mr. Rahul Mehta	4	Present	Nil
Mr. Sanjeev Maheshwari	2	Present	Nil
Ms. Bindu Shah	5	Present	Nil
Mr. Tilak Goenka	5	Present	4,96,102
Mr. Sunil Agrawal	3	NA	Nil

#### Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. During the year under review, no Independent Director ceased to be Director of the Company. The Board is of the opinion that all of the Independent Directors are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement and they continued to demonstrate these characteristics during 2021-22.

#### Chart/matrix setting out the skills/expertise/competence

The Board comprises qualified members who bring in the required skills, competence and expertise such as working in cohesion, management and strategy, financial knowledge and leadership, these allow them to make effective contributions to the Board and its committees.

However, the Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Skills/Expertise/Competencies in specific functional area
Mr. Pradip Kumar Goenka	Manufacturing and operations in textile industry, Effective capacity utilization, cost control, Strategic decision making
Mr. Anil Biyani	Manufacturing and operations in textile and apparel industry, Business administration, Strategic decision making, Branding
Mr. Rahul Mehta	Manufacturing and operations in garments and consumer industry, Regulatory updates, Policy making, Market and technology know-how
Mr. Sunil Agrawal (Resign)	Finance, Taxation, Audit, Governance and Compliance
Ms. Bindu Shah	Legal and Corporate Laws, Corporate Governance and ethics
Mr. Tilak Goenka	Business development and administration, Ready Made garments, Product development, Sale
Mr. Sanjeev Maheshwari (Resign)	Finance, Taxation, Audit, Governance and Compliance

Further, a certificate from a Company Secretary in Whole time Practice certifying that none of the Directors on the Board of the Company has been debarred or disqualified by the SEBI/ MCA or any such statutory authority from being appointed or continuing as a Director of the Company is annexed herewith.

#### Code of conduct for Directors and Senior Management

The Code of conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board and it is being abided by all of them. The Annual report contains declaration to this effect from the Chairman & Managing Director. It is also available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

#### Familiarisation Programme for Directors

The details of programme for familiarisation of Independent Directors with the Company are available on the website of the Company at the following link <https://www.kflindia.com/familiarisation.programme/>.

#### Inter-se relationships among Directors

Except Mr. Tilak Goenka and Mr. Pradip Kumar Goenka who are relatives, no other Directors of the Company are inter-se related.

### 3. AUDIT COMMITTEE

The Company has an Audit Committee at the Board level with powers and role that are in accordance with the provisions of the Section 177 of the Act and Regulation 18 of Listing Regulations. The Committee acts as a link between the management, the statutory auditors and the Board and oversees the financial reporting process.

The Audit Committee presently comprises of 2(Two) Independent Directors and one Non Executive Director. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per the Act and the Listing Regulations. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 5 (Five) times during the financial year 2021-22, i.e. on June 28, 2021, August 11, 2021, November 14, 2021 and January 11, 2022, January 31, 2022.

**Composition of Audit Committee and details of the meetings attended:**

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Sanjeev Maheshwari (Resigned)	Independent & Non-Executive	Chairman (01/04/2021 to 07/09/2021)	2
2.	Mr. Rahul Mehta	Independent & Non-Executive	Chairman (from 27/05/2022 onwards)	4
3.	Ms. Bindu Shah	Independent & Non-Executive	Member	5
4.	Mr. Sunil Agrawal (Resigned)	Independent & Non-Executive	Chairman (14/11/2021 to 21/02/2022)	2
5.	Mr. Anil Biyani	Non Executive Director	Member	1

**The terms of reference of the Audit Committee includes:**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Examination of financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the Company, whenever it is necessary;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management system;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

**4. NOMINATION & REMUNERATION COMMITTEE ('NRC')**

The NRC presently comprises of 2 (two) Independent Directors and one Non Executive Director. The Company's remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth. The Company's NRC is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-Time Directors and to deal with all the elements of remuneration package of all such Directors.

As for non-whole-time directors their appointment is for utilizing their professional expertise in achieving the goals of the Company. Accordingly, the service contract, notice period and severance fees, if any, are not applicable to such non-whole-time directors.

During the year under review, the Committee met 2 (Two) times on June 28, 2021 and November 14, 2021.

**Composition of NRC and details of the meetings attended:**

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Rahul Mehta	Independent & Non-Executive	Chairman	2
2.	Mr. Sanjeev Maheshwari (Resigned wef 07/09/2021)	Independent & Non-Executive	Member	1
3.	Ms. Bindu Shah	Independent & Non-Executive	Member	2
4.	Mr. Sunil Agrawal (Resigned wef 21/02/2021)	Independent & Non-Executive	Member	1
5.	Mr. Anil Biyani	Non Executive Director	Member	1

**The terms of reference of the NRC includes:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on diversity of the Board;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director(s) on the basis of the report of performance evaluation of Independent Director(s);
- Recommendation by NRC to the Board for all remuneration, in whatever form, payable to senior management.

**Remuneration Policy**

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retirement benefits. The remuneration policy is in consonance with the existing industry practice.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Executive Director(s) and CEO, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Director(s), the NRC evaluates the remuneration paid by the comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on revision of remuneration payable to the Senior Management as per terms of appointment and based on the performance of the individual as well as the Company.

Non-Executive Directors are paid sitting fees of 10,000 for attending any Meeting of the Board, Audit Committee and Meeting of Independent Directors and 2000 for attending any meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee and no sitting fees is paid for attending meeting of Corporate Social Responsibility Committee. The Board shall from time to time decide sitting fees payable to any new committees, if constituted or revision of sitting fees, if any.

**Performance Evaluation**

The Company has devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors are evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

**5. REMUNERATION OF DIRECTORS**

The Company has no pecuniary relationship or transaction with its Non-Executive Directors other than payment of sitting fees to them, if any, for attending the Board and Committee Meetings.

The Company does not have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

The details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2022 are given as / under:

Name of Director	Salary p.a. (₹ in Lakh)	Fixed Component – Contribution to Provident Fund (₹ in Lakh)	Bonus, Benefits & Other Allowances	Service Contract (Years)	Notice Period (Months)	Severance Fees (₹)
Mr. Pradip Kumar Goenka	45.00	-	Nil	3	3	Nil
Mr. Tilak Goenka	44.30	-	Nil	3	3	Nil

The details of sitting fees paid to the Non-Executive Directors of the Company during the year ended March 31, 2022 are given as under:

Name of the Director	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari	Mr. Anil Biyani	Ms. Bindu Shah	Mr. Sunil Agrawal
Sitting fees (₹ in Lakh)	0.82	0.42	0.52	1.06	0.6

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE ('SRC')

The SRC comprises of 3 (three) Non-Executive Directors including 2 (two) Independent Directors. The SRC meets at frequent intervals to consider, inter alia, shareholders complaints like non-receipt of share certificate or delay in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. and provide satisfactory solution to the complainant's except for disputed cases and sub-judice matters which would be solved on final disposal by the Courts.

During the year under review, the SRC met 2 (Two) times i.e. on June 28, 2021 and January 31, 2022.

### Composition of SRC and details of the meetings attended:

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Ms. Bindu Shah	Independent & Non-Executive	Chairperson	2
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	2
3.	Mr. Anil Biyani	Non-Independent & Non-Executive	Member	2

### The terms of reference of the SRC includes:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### Compliance officer

During the year 2021-22, Mrs. Deepa Toshniwal, Company Secretary acted as the compliance officer of the Company.

During the financial year 2021-22, there were no complaints received by the Company. There was no complaint pending as on March 31, 2022.

## 7. CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The CSR Committee presently comprises of 3 (three) Directors. During the year, the CSR Committee not applicable .

### Composition of CSR Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Pradip Kumar Goenka	Promoter & Executive	Chairman	NA
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	NA
3.	Mr. Anil Biyani	Non-Independent & Non-Executive	Member	NA

### The terms of reference of the CSR Committee includes:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR expenditure spent from time to time.

## 8. COMMITTEE OF DIRECTORS

The Board has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the Company. A total of 13 (Thirteen ) meetings of the Committee were held during the year under review.

## 9. GENERAL BODY MEETINGS

The details of the Annual General Meeting held during the last 3 (three) financial years are as under:

Financial Year	Date	Time	Venue	No. of Special Resolution(s) passed
2020-21	September 27, 2021	10:00 am	A- 403, The Qube, off M. V. Road Marol, Andheri (East) Mumbai 400059	2
2019-20	September 29, 2020	10:00 am	A- 403, The Qube, off M. V. Road Marol, Andheri (East) Mumbai 400059	1
2018-19	September 29, 2019	10:00 am	Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059.	3

**Postal ballot** – No resolution was passed through postal ballot during the year under review.

## 10. MEANS OF COMMUNICATION

Annual Report notice of the meetings and other communications to the Shareholders are generally sent through e-mail, post or courier.

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs (**'MCA'**) has vide its circular no 20/2020 dated May 05, 2020 and Securities and Exchange Board of India Circular dated May 12, 2020 , No. 02/2021 dated January 13, 2021 and No. 10/2021 dated, June 23, 2021 (**'SEBI Circular'**) directed the Companies to send the Annual Report only by e-mail to all the Members of the Company whose e-mail address is registered with the Company/Registrar and Share Transfer Agent/Depository Participants. Therefore, the Annual Report for FY 2021-22 and Notice of 35th AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

The results of the Company are furnished to the BSE Limited on a periodic basis (quarterly, half yearly and annually) after the approval of the Board. The results are normally published in "Free Press" or "Business Standard" - English Newspaper and "Mumbai Lakshadeep" - Marathi Newspaper within 48 hours after the approval of the Board. These were not sent individually to the shareholders. However, the Company furnishes the same on receipt of a request from the shareholder.

A separate dedicated section under "Investor" on the Company's website <https://www.kflindia.com/> gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

Presentations, if any, are first discussed to the stock exchange before they are communicated to the institutional investor & analysis.

They are also hosted on the website of the company.

## 11. GENERAL SHAREHOLDERS INFORMATION

### a) Annual General Meeting

Day, Date and Time: Saturday, September 24, 2022 at 10:00 a.m. through Video Conferencing / Other Audio-Visual Means

### b) Financial Year

The financial year covers the period from April 01 of every year to March 31 of the next year.

### c) Listing on Stock Exchange

The Company's shares are listed on BSE Limited ('BSE'), P. J. Towers, Dalal Street, Mumbai - 400001.

### d) Listing Fees

Listing fees for the year 2022-23 has been paid to BSE where shares of the Company are listed.

### e) Stock Code & ISIN

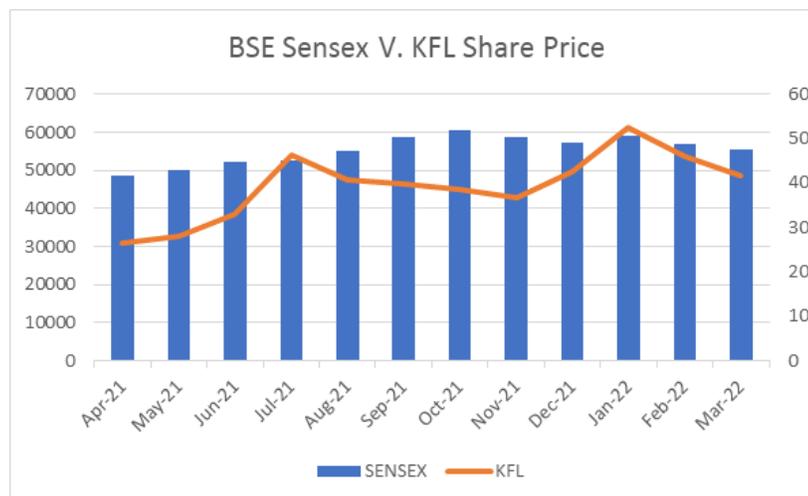
Stock Code at BSE is 514322. ISIN is INE535C01013.

**f) Market Price Data**

- i. The monthly high and low quotations of shares of the Company traded on BSE for the financial year ended March 31, 2022 was as follows:

Month	(Amount in ₹)		Volume
	High	Low	
April, 2021	30.10	23.00	29,573
May, 2021	32.00	25.00	49,756
June, 2021	41.00	27.50	80,003
July, 2021	60.00	34.35	1,58,988
August, 2021	47.30	37.70	14,239
September, 2021	43.10	36.50	23,079
October, 2021	42.50	33.25	40,644
November, 2021	40.40	33.50	36,850
December, 2021	48.80	35.75	23,985
January, 2022	61.65	44.05	59,498
February, 2022	55.65	38.50	24,232
March, 2022	45.90	37.70	10,293

**ii. Performance of the stock in comparison to BSE Sensex**



**g) Registrar and Share Transfer Agent**

The Company has appointed Link Intime India Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

**Link Intime India Pvt. Ltd.**

C-101, Embassy 247, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400083.

Tel No.: (022) 49186270

Fax No.: (022) 49186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**h) Share Transfer System**

Shares held in the dematerialised form are electronically traded by Depository Participants and the Registrar and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings which enables them to update their records and to send all corporate communications, dividend warrants etc.

**i) Distribution of shareholding as on March 31, 2022**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	1,370	88.05	178310	3.04
501 – 1000	112	04.37	89131	1.52
1001 – 5000	102	05.55	225761	3.85
5001 – 10000	10	0.55	79561	1.35
10001 and above	26	1.48	5296608	90.24
<b>Total</b>	<b>1,620</b>	<b>100.00</b>	<b>58,69,371</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2022**

Category	Number of shares	% of Shareholding
Promoters	18,14,330	30.91
Banks/MFs/FIs/NBFCs/Central Govt./State Govt./ Institution/IEPF	26,997	0.43
Private Bodies Corporate	30,50,001	52.73
Indian Public	9,69,179	15.80
NRIs/OCBs	7,256	0.13
Clearing Members	1,608	0.00
<b>Total</b>	<b>58,69,371</b>	<b>100.00</b>

**j) Dematerialisation of shares**

About 99.16% of the shares have been dematerialised as on March 31, 2022. The equity shares of the Company are traded at BSE.

The equity shares of the Company are permitted to be traded in dematerialised form only.

**k) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments.

**l) Credit ratings**

During the year under review, ICRA Ltd. revised the credit rating . On June 22, 2022, credit rating of the Company was revised to [ICRA]B+ for Long term (Bank Facilities) and [ICRA]A4+ for Short Term Rating (Bank Facilities), due to Weakening of revenues and muted demand condition for domestic apparels and fabrics in the current fiscal and Dependence on working capital borrowings in the current fiscal due to elongated receivables from its major customers.

Details relating to these Credit ratings are also available on the website of the Company i.e. [www.kflindia.com](http://www.kflindia.com).

**m) Plant Locations**

The Company's plants are located at:

- 43/2 & 42/1, Ganga Devi Road, Umbergaon - 396 171, Dist. Valsad (Gujarat);
- C-4/2/2, MIDC Tarapur - 401 506, Dist. Thane (Maharashtra);
- Survey No. 573, Shed No. B, C and D, Sanjan-Nargol bypass road, Sanjan, (Gujarat).

**n) Address for investor correspondence**

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company, Registrar & Share Transfer Agent may be contacted at the following address:

**Registered Office**

C.T.S. No. 620 & 638, Ground Floor,  
 Advance House, Plot\_ A, ARK Industrial  
 Estate Compound, Makwana Road,  
 Marol Naka, Andheri (East) Mumbai 400059  
 Tel: (+91 22) 6943 3000  
 Email: [cs@kflindia.com](mailto:cs@kflindia.com)  
 Website : [www.kflindia.com](http://www.kflindia.com)

**Link Intime India Pvt. Ltd.**

Unit: **Kamadgiri Fashion Limited**  
 C-101, Embassy 247, L. B. S. Marg,  
 Vikhroli (West), Mumbai – 400083.  
 Tel No.: (022) 49186270  
 Fax No.: (022) 49186060  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**12. CEO/CFO Certification**

As per requirement of Part B of Schedule II of Regulation 17(8) of the Listing Regulations, the Managing Director and CFO of the Company have certified to the Board regarding Financial Statements for the year ended March 31, 2022.

**13. DISCLOSURES**

- a) There were no other related party transactions of material nature with the Promoters, Directors, the management or relatives during the year that may have potential conflict with the interest of the Company at large.
- b) There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by Stock Exchange or SEBI.
- c) The Company has a Whistle Blower Policy and Vigil Mechanism in place. The policy also provides a direct access to the Chairperson of the Audit Committee in exceptional cases. The Board affirms that no personnel have been denied access to the Audit Committee during the year in terms of the Whistle Blower Policy.
- d) The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance. A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and is attached to this report.
- e) The policy on dealing with material subsidiaries is not applicable to the Company as there are no material subsidiaries.
- f) The web link of policy on dealing with related party transactions is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.
- g) There were no equity shares lying in the demat suspense account/ unclaimed suspense account as on March 31, 2021.
- h) Commodity price risks & Commodity hedging activities  
 The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.
- i) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations: Not Applicable
- j) A certificate has been received from M/s. HS Associates, Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- k) During the year under review, there were no instances where the Board had not accepted any recommendations of any of the Committees of the Board.
- l) Total fees paid to the statutory auditor for all services:

Sr. No.	Particulars of Service	Amount (₹ in Lakhs)
1.	Statutory Audit	6.00
2.	Tax Audit	1.50
3.	Limited Review	1.50
4.	Company Law Matters	1.00
<b>Total</b>		<b>10.00</b>

- m) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** During the year under review, there were no complaints filed/received in terms of sexual harassment.

No. of complaints filed during 2021-22	No. of complaints disposed of during 2021-22	No. of complaints pending as at March 31, 2022
Nil	N.A.	Nil

**14. DISCRETIONARY REQUIREMENTS**

- a) **The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.
- b) **Shareholders' Right:** As the financial results of the Company are published every quarter in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.
- c) **Audit Qualifications:** There are no audit qualifications or observations on the Financial Statements for the year 2021-22
- d) **Separate posts of Chairman and CEO:** The position of Chairman and Managing Director are not separately held.
- e) **Reporting of Internal Auditor:** The Internal auditors are invited to Audit Committee Meetings to make their presentation directly to the Audit Committee.

**15. COMPLIANCE**

A certificate from the Statutory Auditors of the Company regarding compliance of corporate governance and a declaration signed by the Chief Executive Officer stating that the members of the Board and senior management personnel have affirmed compliance to the Company's code of conduct for the board of directors and senior management has been obtained and is attached to this report.

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**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

The Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2022.

For **Kamadgiri Fashion Limited**

May 27 , 2022  
Mumbai

**Pradip Kumar Goenka**  
Chairman & Managing Director

## Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To**  
**The Members of**  
**Kamadgiri Fashion Limited**

1. We, DMKH & Co, Chartered Accountants, the Statutory Auditors of Kamadgiri Fashion Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### Managements' Responsibility

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

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Other Matter

7. As per the SEBI Regulation 17(1)(b) where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors. In the said company out of 3 Independent Directors, one Independent Director Mr. Sunil Agrawal (DIN: 07066046) has resigned on 21st February, 2022, thereby causing non-compliance of having of at least half of the board of directors to be independent directors, as the casual vacancy arising in the office of independent directors has not yet been filled till date of signing of this report.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, except for the matter referred in other matter paragraph, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2022.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

### For DMKH & Co.

Chartered Accountants  
 Firm Registration Number: 116886W

### Anant Nyatee

Partner  
 Membership Number: 447848  
 UDIN: 22447848AKDGTA7942  
 Place: Mumbai  
 Date: May 27, 2022

## INDEPENDENT AUDITOR’S REPORT

To  
The Members  
Kamadgiri Fashion Limited

### REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

#### Opinion

We have audited the standalone Ind AS financial statements of **Kamadgiri Fashion Limited** (the “Company”), which comprise the standalone balance sheet as at March 31, 2022, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 as amended (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key Audit Matters	
1. Carrying value of Trade Receivables	How our audit addressed the key audit matter
<p>The recoverability of Trade Receivables and the level of provisions for doubtful debts are considered to be a significant risk due to the pervasive nature of these balances to the Financial Statements and the importance of cash collection with reference to the working capital management of the business.</p> <p>As at March 31, 2022, Trade receivables constitutes approximately 33.94% of total assets of the Company i.e. 5,964.59 Lacs.</p> <p>Expected credit loss involves judgement as it must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management has made provision for expected credit loss of Rs. 13.78 lacs.</p> <p>The company is required to regularly assess the recoverability of its Trade Receivables, Hence it is a key audit matter in our audit of standalone Ind AS Financial Statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Revised assessed risk and modify our audit procedures to mitigate these risks;</li> <li>• Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.;</li> <li>• Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;</li> <li>• Performed alternative audit procedures like <ul style="list-style-type: none"> <li>- For accounts receivable balances: scrutiny of ledger accounts and verification of subsequent receipts;</li> <li>- For accounts payable balances: scrutiny of ledger accounts and other documents/records, such as bills from vendors and subsequent payments.</li> </ul> </li> </ul>

<p><b>2. Valuation of Inventories</b></p> <p>The net carrying value of inventory as on 31<sup>st</sup> March 2022 is 39.15% of total assets of the Company i.e. 6,880.48 lacs.</p> <p>Sales in the industry can be extremely volatile with the consumer demand changing significantly (Seasonal) based on current trends. As a result there is a risk that the carrying value of inventory exceeds its net Realizable Value.</p> <p>Hence we have determined valuation of inventories as a Key Audit Matter.</p>	<p><b>How our audit addressed the key audit matter</b></p> <p>Our audit procedures with respect to valuation of inventories included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the rationality of Inventory Policies such as the policy of inventory valuation and provision for obsolescence and understanding whether the valuation of inventory was performed in accordance with the Companies Policy.</li> <li>• Analyzing the inventory aging report and net realizable value Of Inventories.</li> <li>• Inspecting the post period sales situation and evaluating the net realizable value of measurement applied on aging inventory in order to verify the evaluation accuracy of the estimated inventory allowance by the company.</li> <li>• Performed procedures for year-end physical verification count of inventory where quantities counted for selected samples were compared with quantities recorded.</li> </ul> <p>We have also evaluated a section of controls over inventory existence across the company.</p>
<p><b>3. Revenue Recognition</b></p> <p>Revenue is an important measure used to evaluate the performance of the company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the company.</p> <p>Consequently We Considered Revenue Recognition to be a Significant Key Audit Matter.</p>	<p><b>How our audit addressed the key audit matter</b></p> <p>Our audit procedures with respect to Revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Inspecting underlying documentation for any book entries which were considered to be material on a sample basis.</li> <li>• Inspecting the key terms and conditions of agreements with major customers on a sample basis to assess if there were any terms and conditions that may have affected the accounting treatment of the revenue recognition.</li> <li>• The accuracy and completeness of revenue was verified through Cut-Off testing and Analytical Reviews.</li> </ul> <p>Assessing the design implementation existence and operating effectiveness of Internal Control Procedures implemented as well as test of details to ensure accurate processing of Revenue Transactions.</p>

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

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

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

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

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

### Management's Responsibilities for the standalone Ind AS Financial Statements

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

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

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

### **Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements**

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

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

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

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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rule issued there under to the extent applicable to the Company.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements. Refer Note 35 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The company has neither declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

- 2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DMKH & CO.**  
Chartered Accountants  
Firm Registration Number: 116886W

**Anant Nyatee**  
Partner

Place: Mumbai  
Date: May 27, 2022

Membership Number: 447848  
UDIN: 22447848AKDFYK1289

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kamadgiri Fashion Limited of even date)

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

We have audited the internal financial controls over financial reporting of KAMADGIRI FASHION LIMITED (the “Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

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

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

#### **Meaning of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial 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 DMKH & CO.**

Chartered Accountants

Firm Registration Number: 116886W

**Anant Nyatee**

Partner

Membership Number: 447848

UDIN: 22447848AKDFYK1289

Place: Mumbai  
Date: May 27, 2022

## Annexure 'B' to the Independent Auditor's Report

(Referred to in Paragraph 2 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of Kamadgiri Fashion Limited of even date)

### Report on the Companies (Auditor's Report) Order, 2020, with reference to standalone Ind AS financial statements, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Kamadgiri Fashion Limited ("the Company"):

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of company's property, plant and equipment:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangibles assets.
  - (b) The Company has a regular program of physical verification of its property, plant and equipment (PPE), right of use assets and investment property under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment, right of use assets and investment property were verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of all the immovable properties included in property, plant and equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - (d) The Company has not revalued its property, plant and equipment's (including Right of use assets) or intangible assets during the year ended March 31, 2022.
  - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year except for goods-in-transit and inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate and no discrepancies of 10% or more in aggregate for each class of inventory were noticed. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in Note 20 to the standalone Ind AS financial statements, the Company has been sanctioned cash credit / working capital limits in excess of INR five Crores in aggregate from banks during the year on the basis of security of current assets of the Company. On account of the size and nature of the transactions, the quarterly returns / statements filed by the Company does not tally with the books of accounts of the Company, but the management has prepared a reconciliation of the same for the quarter ended as on 31<sup>st</sup> March, 2022 which is in agreement with the books of accounts of the company.
- iii. (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, limited liability partnerships or any other parties listed in the register maintained under Section 189 of the Companies Act, 2013 as follows:

(Figures in INR Lakhs)

Particulars	Guarantees	Loans
Aggregate amount granted / provided during the year-to other parties	-	18.82
Balance outstanding as at balance sheet date in respect of above cases- to other parties	35.90	15.63
Aggregate amount granted / provided during the year -Associated Concern	-	20
Balance outstanding as at balance sheet date in respect of above cases - Associated Concern	-	-

- (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, limited liability partnerships or any other parties are not prejudicial to the Company's interest.
- (c) The Company has granted loans during the year to a company-where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of the Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. According to the information and explanation given to us, in respect of statutory dues:
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount in ₹ (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	33.49	2018-2019*	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	31.02	2001-2002, 2002-2003.	Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	VAT	815.06	2014-2015 2015-2016	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	CST	32.15	2014-2015	Joint Commissioner (Appeals)

\*Assessment Year

- viii. In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given by the management:
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanation given by the management, we are of the opinion that:
- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- xi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that:
- No fraud / material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
  - During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, 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 notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company
- (b) The Company has not conducted any Nonbanking Financial or Housing Finance activities without obtained a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to ₹ 143.11 Lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in Note 43 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) There are no ongoing projects, for which the Company is required to transfer unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provisions of Section 135(6) of the Act. Accordingly, clause 3(xx)(b) of the Order is not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said Clause under this report.

**For DMKH & CO.**  
Chartered Accountants  
Firm Registration Number: 116886W

**Anant Nyatee**  
Partner

Place: Mumbai  
Date: May 27, 2022

Membership Number: 447848  
UDIN: 22447848AKDFYK1289

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2022	As at Mar 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	2,622.79	2,859.28
Right of use Assets	2.1	586.55	676.11
Intangible Assets	2	50.45	40.16
Intangible Assets under development		-	23.49
<b>Financial Assets</b>			
Other Financial Assets	3	246.59	239.45
Deferred tax assets (net)	4	271.11	276.48
Current Income tax assets (Net)	12	63.19	55.35
Other non current assets	5	32.14	10.09
<b>Total Non-Current Assets</b>		<b>3,872.82</b>	<b>4,180.41</b>
<b>Current Assets</b>			
Inventories	6	6,880.48	5,034.51
<b>Financial Assets</b>			
Trade Receivables	7	5,964.59	4,922.08
Cash and Cash Equivalents	8	4.69	37.73
Bank Balances other than above	9	7.25	12.89
Loans	10	15.63	18.50
Others Financial Assets	11	44.55	76.61
Investment in Shares	13	51.00	-
Other Current Assets	14	732.42	473.76
<b>Total Current Assets</b>		<b>13,700.61</b>	<b>10,576.08</b>
<b>Total Assets</b>		<b>17,573.43</b>	<b>14,756.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	586.94	586.94
Other Equity	16	2,810.86	2,740.66
<b>Total Equity</b>		<b>3,397.80</b>	<b>3,327.60</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	1,630.89	345.19
Lease Liability		500.86	580.32
Other financial liabilities	18	465.52	543.68
Provisions	19	316.00	314.08
<b>Total Non-Current Liabilities</b>		<b>2,913.27</b>	<b>1,783.27</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	4,785.12	4,365.42
Lease Liability		230.38	187.15
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	21	1,296.53	295.81
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	3,416.79	2,679.10
Other Financial Liabilities	22	1,268.83	1,488.64
Other Current Liabilities	23	238.46	590.70
Provisions	24	26.25	38.80
<b>Total Current Liabilities</b>		<b>11,262.36</b>	<b>9,645.62</b>
<b>Total Equity and Liabilities</b>		<b>17,573.43</b>	<b>14,756.49</b>

Notes along with significant accounting policies form an integral part of the financial statements 1 to 44

As per our Report of even date.

For **DMKH & Co.**  
Chartered Accountants  
ICAI FRN No. 116886W

For and on behalf of the Board

**Anant Nyatee**  
Partner  
Membership No. 447848

**Pradip Kumar Goenka**  
Chairman & Managing Director  
DIN No. 00516381

**Tilak Pradip Goenka**  
Director  
DIN No. 00516464

Date : May 27, 2022  
Mumbai

**Jagdish Prasad Dave**  
Chief Financial Officer

**Deepa Toshniwal**  
Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>REVENUE</b>			
I. Revenue From Operations	25	25,732.37	13,991.11
II. Other Income	26	18.06	377.11
<b>III. Total Revenue (I+II)</b>		<b>25,750.43</b>	<b>14,368.22</b>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	27	13,846.03	5,769.77
Purchases of Stock-in-Trade	-	2,882.25	1,960.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(1,297.44)	946.62
Employee Benefits Expense	29	3,374.07	2,115.42
Finance Costs	30	793.11	810.74
Depreciation and Amortization Expenses	2	586.41	657.03
Other Expenses	31	5,471.05	2,908.37
<b>Total Expenses (IV)</b>		<b>25,655.48</b>	<b>15,168.36</b>
<b>V. Profit / (Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>94.95</b>	<b>(800.14)</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) Before Exceptional Items and Tax (V-VI)</b>		<b>94.95</b>	<b>(800.14)</b>
<b>VIII. Tax Expense</b>			
(1) Current Tax	40	26.07	-
(2) Deferred Tax (Net)	40	3.69	(221.31)
		<b>29.76</b>	<b>(221.31)</b>
<b>IX. Profit / (Loss) For The Year (VII-VIII)</b>		<b>65.19</b>	<b>(578.83)</b>
<b>X. Other Comprehensive Income</b>			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of defined employee benefit plans		6.66	48.17
b) Income tax relating to above		(1.68)	(12.12)
<b>Other Comprehensive Income For The Year</b>		<b>4.98</b>	<b>36.05</b>
<b>XI. Total Comprehensive Income For The Year (IX+X)</b>		<b>70.17</b>	<b>(542.78)</b>
<b>Earnings Per Equity Share of Face Value of ₹ 10/- each</b>			
Basic (in ₹)	34	1.11	(9.86)
Diluted (in ₹)	34	1.11	(9.86)

Notes along with significant accounting policies form an integral part of the financial statements 1 to 44

As per our Report of even date.

For DMKH &amp; Co.

Chartered Accountants  
ICAI FRN No. 116886W

For and on behalf of the Board

Anant Nyatee

Partner  
Membership No. 447848

Pradip Kumar Goenka

Chairman & Managing Director  
DIN No. 00516381

Tilak Pradip Goenka

Director  
DIN No. 00516464Date : May 27, 2022  
MumbaiJagdish Prasad Dave  
Chief Financial OfficerDeepa Toshniwal  
Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax after exceptional items	(94.96)	(800.14)
Adjustments for :		
Depreciation and amortisation expense	586.41	657.03
(Gain) / Loss on sale of Property, Plant and Equipments (Net)	0.17	(272.95)
Interest income	(0.84)	(0.68)
Finance costs	793.11	810.74
Allowance for Bad and Doubtful Debts	(7.64)	(3.75)
	<b>1,371.21</b>	<b>1,190.39</b>
Operating Profit before Working Capital changes	1,466.17	390.25
Movement in working capital :		
Decrease / (Increase) in Inventories	(1,845.97)	505.94
(Increase)/Decrease in Trade Receivable	(1,042.51)	(287.48)
(Increase) in Loans & Advances	2.87	(0.07)
(Increase)/Decrease in Others Financial Assets	24.92	0.27
(Increase) in Other Current and Non Current Assets	(288.54)	4.22
(Decrease) in Trade Payable	1,738.42	(79.37)
(Decrease) / Increase in Other Current and Non-Current Liabilities	(352.23)	407.46
(Decrease) in Other financial liabilities	(5.85)	161.39
Increase in Provisions	10.63	(2.97)
	<b>(1,758.26)</b>	<b>709.39</b>
<b>Cash generated from operations</b>	(292.09)	1,099.64
Income Tax Paid	-	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(292.09)</b>	<b>1,099.64</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Inflow:</b>		
Sale of Property, Plant and Equipments	1.17	292.16
Interest Received/(Paid)	0.84	0.68
	<b>2.01</b>	<b>292.84</b>
<b>Outflow:</b>		
Purchase of Property, Plant and Equipments	(66.23)	(281.34)
Purchase of Intangible Assets	(12.53)	(9.41)
Investment in Shares (Associate)	(51.00)	-
	<b>(127.75)</b>	<b>2.09</b>
<b>NET CASH GENERATED USED IN INVESTING ACTIVITIES</b>		
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Inflow:</b>		
Proceeds from Long Term Borrowings	1,554.00	586.29
Proceeds from Short Term Borrowings (Net)	419.70	-
	<b>1,973.70</b>	<b>586.29</b>
<b>Outflow:</b>		
Repayment of Long Term Borrowings	(554.99)	(349.56)
Repayment of Short Term Borrowings	-	(206.37)
Interest Paid	(793.11)	(810.74)
Dividend Paid	-	-
Payment of Lease Liability	(238.80)	(301.85)
	<b>(1,586.90)</b>	<b>(1,668.52)</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	386.80	(1,082.23)
<b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>	(33.04)	19.51
Opening Balance Of Cash And Cash Equivalents	37.73	18.22
Closing Balance Of Cash And Cash Equivalents	4.69	37.73
<b>Notes to Cash Flow Statements:</b>		
Cash & Cash Equivalents comprise of:		
Cash on hand	3.94	8.94
Bank Balances with Scheduled Banks:		
In Current Accounts	0.75	28.79
	<b>4.69</b>	<b>37.73</b>

Note 1 : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS 7) - Statement of Cash Flow.

### Changes in liabilities arising from financial activities

Particulars	As at March 31, 2021	Net Cash Flow	Non Cash Changes		As At March 31, 2022
			Fair Value Changes	Current/Non Current Classification	
Borrowings Non current	345.19	1,574.71	-	(289.01)	1,630.89
Other Financial Liabilities	544.95	33.07	-	(289.01)	289.01
Borrowings current	4,365.42	419.70	-	-	4,785.12

As per our Report of even date.

For **DMKH & Co.**  
Chartered Accountants  
ICAI FRN No. 116886W

For and on behalf of the Board

**Anant Nyatee**  
Partner  
Membership No. 447848

**Pradip Kumar Goenka**  
Chairman & Managing Director  
DIN No. 00516381

**Tilak Pradip Goenka**  
Director  
DIN No. 00516464

Date : May 27, 2022  
Mumbai

**Jagdish Prasad Dave**  
Chief Financial Officer

**Deepa Toshniwal**  
Company Secretary

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022****EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Balance as at the beginning of the year	586.94	586.94
Add/Less: Change in equity share capital during the year	-	-
Balance as at end of the year	<b>586.94</b>	<b>586.94</b>

**OTHER EQUITY**

(₹ in Lakhs)

Particulars	Other Equity				Total Other Equity
	Reserves and surplus				
	Securities premium reserve	Capital reserve	General reserve	Retained Earnings	
<b>As at April 1, 2020</b>	731.66	37.00	670.02	1,844.79	3,283.47
Loss for the year	-	-	-	(578.83)	(578.83)
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	36.05	36.05
<b>As at March 31, 2021</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,302.01</b>	<b>2,740.69</b>
Profit for the year	-	-	-	65.19	65.19
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
Remeasurement of defined benefit obligation (net of tax)	-	-	-	4.98	4.98
<b>As at March 31, 2022</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,372.18</b>	<b>2,810.86</b>

As per our Report of even date.

**For DMKH & Co.**Chartered Accountants  
ICAI FRN No. 116886W**For and on behalf of the Board****Anant Nyatee**Partner  
Membership No. 447848Date : May 27, 2022  
Mumbai**Pradip Kumar Goenka**Chairman & Managing Director  
DIN No. 00516381**Jagdish Prasad Dave**  
Chief Financial Officer**Tilak Pradip Goenka**Director  
DIN No. 00516464**Deepa Toshniwal**  
Company Secretary

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

Kamadgiri Fashion Limited (KFL) ("the Company") is a public limited company, incorporated and domiciled in India which is mainly engaged in the business of manufacturing and job work in Textile Industry. The Company is listed on the Bombay Stock Exchange (BSE).

The registered office of the Company is located at A-403, "The Qube" M.V. Road, Marol, Andheri (East), Mumbai - 400 059.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 27, 2022.

#### 1.1 Significant Accounting Policies

##### i. Basis of Preparation of Financial Statements

The financial statements are prepared on historical cost except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### ii. Statement of Compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### iii. Current and Non-current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in Schedule III to the Act and IND-AS 1- Presentation of Financial Statements.

##### iv. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

#### 1.2 Summary of significant accounting policies

##### I. Foreign currency translation

###### (i) Functional and presentation currency

The company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis under the head other expenses.

Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

##### II. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if future economic benefit will flow to the entity and cost can be reliably measured.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

#### **Depreciation method, estimated useful lives and residual values**

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

<b>Particulars</b>	<b>Useful Life</b>
Buildings	30 Years
Plant and Equipments	7.5 Years to 15 Years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Computer	3 Years
Vehicles	8 Years

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### **III. Investment property**

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

The Company is following straight line method of depreciation in respect of residential flat. Depreciation on flat is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of flat is 60 years and estimated residual value is 5% which is as per schedule II to Companies Act, 2013.

The Company had leased out the property for 99 years of lease period and there is no intention to sale this property in future. Also, due to non-availability of recent price of similar property in active market, the fair value of the property will not be reliably determinable on the continuing basis and at the year end.

### **IV. Intangible assets and Amortisation**

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

#### **Amortisation method and estimated useful life**

Intangible assets comprising of software is amortized on a straight-line basis over the useful life of three years to six years which is estimated by the management.

#### **Intangible assets under development**

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

### **V. Capital Work In Progress**

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

### **VI. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable

amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## **VII. Leases:**

### **The Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the standard Ind AS 116, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

**VIII. Investment**

- Long term Investment are being valued at cost of acquisition.
- Short term investment are being valued at cost or market value whichever is lower.

**IX. Inventories**

- Raw Materials (Including goods in transit) are valued at cost. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO basis as applicable. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**X. Revenue recognition**

The Company derives revenue primarily from sale of manufactured goods, traded goods and related services.

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts. Goods and service Tax (GST) is collected by the seller on behalf of the government, accordingly it is excluded from the revenue.

**(i) Sale of goods**

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

**(ii) Sale of Services**

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

**(iii) Interest Income**

Interest income is recognized using the effective interest rate (EIR) method.

**XI. Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

**a) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**d) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**e) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**f) Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**g) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**h) Derecognition of financial liabilities**

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

**Equity investment in subsidiaries, joint ventures and associates**

The Company does not have investment in subsidiaries, joint ventures and associates.

**i) Offsetting of financial instruments**

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

**j) Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**k) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**l) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

**XII. Employee benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

Entitlements to annual leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave. Expenses related to other long term employee benefits is recognized in the Statement of Profit and loss (including actuarial gain and loss).

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post-employment obligations**

The Company operates the following post-employment schemes:

- a. defined benefit plans viz. gratuity,
- b. defined contribution plans viz. provident fund.

### **Defined benefit plans**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service cost.

### **Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **iv. Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

### **XIII. Income Tax (includes current tax as well as deferred tax)**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted or substantially enacted as on the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred tax is provided in full, using the Balance Sheet Approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **XIV. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements.

#### **XV. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### **XVI. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

#### **XVII. Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants relating to an expense item are recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### **XVIII. Earnings per share**

##### **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

##### **Diluted earnings per share**

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

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

#### **XIX. Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

#### **XX. Cash Flow Statement**

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

##### **Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non-current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

**a) Impairment of financial assets**

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**b) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating unit ('CGU') being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

**c) Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation/ amortisation expense in future periods.

**d) Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (xii) above.

**e) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) Claims, Provisions & Contingent Liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**g) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**XXI. Standard issued but not yet effective**

There are no standards that are issued but not yet effective on March 31, 2022

## 2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Electrical Installation	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
<b>Gross Carrying amount</b>									
As at April 1, 2020	49.91	740.24	3,362.11	220.96	142.87	62.12	67.47	37.97	4,683.65
Additions	-	34.96	216.29	6.75	9.57	6.46	1.89	-	275.92
Disposals	(2.23)	(44.55)	(160.58)	(22.68)	(1.70)	(0.04)	(0.12)	-	(231.90)
<b>Balance at March 31, 2021</b>	<b>47.68</b>	<b>730.65</b>	<b>3,417.82</b>	<b>205.03</b>	<b>150.74</b>	<b>68.54</b>	<b>69.24</b>	<b>37.97</b>	<b>4,727.67</b>
As at April 1, 2021	47.68	730.65	3,417.82	205.03	150.74	68.54	69.24	37.97	4,727.67
Additions	-	11.99	47.68	1.98	5.84	3.76	18.72	26.06	116.03
Disposals	-	-	(16.05)	(0.26)	(1.05)	(0.95)	(0.78)	-	(19.09)
<b>Balance at March 31, 2022</b>	<b>47.68</b>	<b>742.64</b>	<b>3,449.45</b>	<b>206.75</b>	<b>155.53</b>	<b>71.35</b>	<b>87.18</b>	<b>64.03</b>	<b>4,824.61</b>
<b>Accumulated Depreciation</b>									
As at April 1, 2020	-	83.20	1,358.04	43.02	58.83	32.76	40.15	9.59	1,625.59
Depreciation charge for the year	-	30.47	287.53	21.31	12.25	6.90	10.32	5.85	374.63
Disposals	-	(8.81)	(101.34)	(12.54)	(4.78)	(4.29)	(0.08)	-	(131.84)
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>104.86</b>	<b>1,544.23</b>	<b>51.79</b>	<b>66.30</b>	<b>35.37</b>	<b>50.39</b>	<b>15.44</b>	<b>1,868.38</b>
As at April 1, 2021	-	104.86	1,544.23	51.79	66.30	35.37	50.39	15.44	1,868.38
Depreciation charge for the year	-	34.17	249.06	20.07	12.45	6.55	13.61	7.01	342.93
Disposals	-	-	(6.99)	(0.15)	(0.70)	(0.90)	(0.74)	-	(9.49)
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>139.03</b>	<b>1,786.30</b>	<b>71.71</b>	<b>78.05</b>	<b>41.02</b>	<b>63.27</b>	<b>22.45</b>	<b>2,201.82</b>
<b>Net carrying amount</b>									
As at March 31, 2022	47.68	603.61	1,663.16	135.04	77.48	30.34	23.91	41.58	2,622.79
As at March 31, 2021	47.68	625.79	1,873.59	153.24	84.44	33.17	18.85	22.53	2,859.29

## 2. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount at the beginning of the year	-	-
Additions during the year	-	-
Capitalised during the year	-	-
<b>Carrying amount at the end of the year</b>	<b>-</b>	<b>-</b>

## 2. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Amount
<b>Software</b>	
<b>Gross Carrying amount</b>	
As at April 1, 2020	64.84
Additions	17.66
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>82.50</b>
Additions	23.20
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>105.70</b>

(₹ in Lakhs)

Particulars	Amount
<b>Accumulated Amortisation</b>	
<b>As at April 1, 2020</b>	<b>34.09</b>
Amortisation charge for the year	8.25
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>42.34</b>
Amortisation charge for the year	12.91
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>55.25</b>
<b>Net carrying amount</b>	
<b>As at March 31, 2022</b>	<b>50.45</b>
<b>As at March 31, 2021</b>	<b>40.16</b>

## 2.1. RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Amount
<b>Office Premises</b>	
<b>Gross Carrying amount</b>	
Balance as at April 1, 2021	1,242.63
Recognition on transition to Ind AS 116 (Refer Note 41)	-
Additions	145.04
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>1,387.67</b>
<b>Accumulated Amortisation</b>	
Balance as at April 01, 2021	566.52
Depreciation charge for the year	234.60
Disposals and Transfer	-
<b>Balance as at March 31, 2022</b>	<b>801.12</b>
<b>Net carrying amount</b>	
<b>Balance as at March 31, 2022</b>	<b>586.55</b>
<b>Balance as at March 31, 2021</b>	<b>676.11</b>

The company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application date, i.e. 1st April, 2019. The company has used the modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.

The operating leases recorded in the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

## 3. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit with others	197.42	171.00
Electricity deposits	40.21	40.21
Fixed Deposits with Bank	8.96	28.24
<b>TOTAL</b>	<b>246.59</b>	<b>239.45</b>

**4. DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	52.96	57.10
Provision for Compensated absences	26.62	25.15
Property, Plant and Equipment	(158.39)	(156.87)
Unabsorbed tax losses	287.71	287.71
Others	62.21	63.39
<b>TOTAL</b>	<b>271.11</b>	<b>276.48</b>

**5. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advance	31.43	9.50
Prepaid Expenses	0.71	0.59
<b>TOTAL</b>	<b>32.14</b>	<b>10.09</b>

**6. INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Charged by way of hypothecation against borrowings of the Company.)</b>		
Raw Materials and components	2,239.52	1,617.96
Work-in-progress	1,444.83	1,540.19
Finished goods	3,057.00	1,720.30
Stores, Spares and Others	139.13	156.06
<b>(Refer Note No. 1.2 Point No. IX)</b>		
<b>TOTAL</b>	<b>6,880.48</b>	<b>5,034.51</b>

**7. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Charged by way of hypothecation against borrowings of the Company.)</b>		
Unsecured, considered good	5,964.59	4,922.08
Credit impaired	13.78	21.42
<b>TOTAL</b>	<b>5,978.37</b>	<b>4,943.50</b>
Less: allowance for bad and doubtful debts receivables	(13.78)	(21.42)
<b>TOTAL</b>	<b>5,964.59</b>	<b>4,922.08</b>

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>						
(i) Undisputed Trade receivables – considered good	5,712.23	119.76	132.60	-	-	<b>5,964.59</b>
<b>As at 31 March 2021</b>						
(i) Undisputed Trade receivables – considered good	4,468.81	287.55	165.72	-	-	<b>4,922.08</b>

## 8. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
On Current Accounts	0.75	28.79
Cash on Hand	3.94	8.94
<b>TOTAL</b>	<b>4.69</b>	<b>37.73</b>

## 9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend account *	7.25	7.85
Balances with banks to the extent held as margin money	-	-
Fixed deposits with original maturity for more than 3 months but less than 12 months	-	5.04
<b>TOTAL</b>	<b>7.25</b>	<b>12.89</b>

\* Earmarked for payment of unclaimed dividend

## 10. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
Loans receivables considered good-Unsecured		
Advance to Staff	15.63	18.50
<b>TOTAL</b>	<b>15.63</b>	<b>18.50</b>

## 11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued But Not Due	6.76	6.40
Interest Subsidy & Interest Receivable	32.71	63.07
Security Deposits and Other Advances	5.08	7.14
<b>TOTAL</b>	<b>44.55</b>	<b>76.61</b>

## 12. CURRENT INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax [(Net of Advance tax of ₹ 1745.52 Lakhs (as at March 31st, 2021 ₹ 1714.59 Lakhs)]	63.19	55.35
<b>TOTAL</b>	<b>63.19</b>	<b>55.35</b>

## 13. INVESTMENT IN SHARES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments	51.00	-
Metawear Ltd .: 5,10,000 (Previous year Nil) Equity Shares of ₹ 10 each fully paid-up		
<b>TOTAL</b>	<b>51.00</b>	<b>-</b>

## 14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance other than capital advances		
Prepaid Expenses	35.57	21.41
Balances with Government Authorities	637.48	394.51
Other Advances	59.37	57.84
<b>TOTAL</b>	<b>732.42</b>	<b>473.76</b>

## 15. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
<b>TOTAL</b>	<b>2,00,00,000</b>	<b>2,000</b>	<b>2,00,00,000</b>	<b>2,000</b>
<b>Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹ 10/- each	58,69,371	586.94	58,69,371	586.94
<b>TOTAL</b>	<b>58,69,371</b>	<b>586.94</b>	<b>58,69,371</b>	<b>586.94</b>

## (i) Reconciliation of Number of Equity Shares

(₹ in Lakhs)

Particulars	Number of Shares	Amount
As at the beginning of the year	58,69,371	586.94
Add: issued During the Year	-	-
As at end of the year	58,69,371	586.94

## (ii) Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (iii) Details of Shareholders holding more than 5 percent shares equity shares in the Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Ananddeep Cotsyn LLP	4,36,800	7.44	4,36,800	7.44
NU Business Venture Private Limited	14,66,755	24.99	-	-
Future Corporate Resources Pvt Ltd	1,78,634	3.04	16,45,389	28.03
Surplus Finvest Pvt Ltd	5,69,000	9.69	5,69,000	9.69
Tritoma Hotels Pvt. Ltd.	3,25,000	5.54	3,25,000	5.54
Pradip Kumar Goenka	6,49,200	11.06	6,49,200	11.06
Tilak Pradip Goenka	4,96,102	8.45	4,96,102	8.45

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY - NIL)

(iv) Details of Pramoter & Pramoters group holding equity shares in the Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Pradip Kumar Goenka	6,49,200	11.06	6,49,200	11.06
Tilak Pradip Goenka	4,96,102	8.45	4,96,102	8.45
Asha Devi Goenka	1,99,171	3.39	1,99,171	3.39
Lalit Kumar Goenka	1,457	0.02	1,457	0.02
Ananddeep Cotsyn LLP	4,36,800	7.44	4,36,800	7.44
Jagruti Synthetics Private Limited	31,600	0.54	31,600	0.54

16. OTHER EQUITY

(₹ in Lakhs)

Particulars	Other Equity				Total Other Equity
	Reserves and surplus				
	Securities premium reserve	Capital reserve	General reserve	Retained Earnings	
<b>As at April 1, 2020</b>	731.66	37.00	670.02	1,844.80	3,283.48
Loss for the year	-	-	-	(578.83)	(578.83)
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Other Comprehensive Income</b>					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	36.04	36.04
<b>As at March 31, 2021</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,302.01</b>	<b>2,740.69</b>
Profit for the year	-	-	-	65.19	65.19
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Other Comprehensive Income</b>					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	4.98	4.98
<b>As at March 31, 2022</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,372.18</b>	<b>2,810.86</b>

NON-CURRENT FINANCIAL LIABILITIES

17. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
(a) From Bank		
Term Loans ( Refer Note 17.1)	55.43	272.51
Covid Loans ( Refer Note 17.1a)	1,551.61	72.68
Vehicle Loans ( Refer Note 17.2)	23.85	-
<b>TOTAL</b>	<b>1,630.89</b>	<b>345.19</b>

17.1 Term Loan from bank amounting of ₹ 250 Lakhs sanctioned during the FY 2017-2018 and end on FY 2022-2023. The Same is repayable in 60 Monthly installments of ₹ 4.17 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Term Loan from bank amounting of ₹ 840 Lakhs sanctioned during the FY 2019-2020 and end on FY 2024-2025. The Same is repayable in 60 Monthly installments of ₹ 14.00 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

17.1a Covid Loan from bank amounting of ₹ 1035.23 Lakhs sanctioned during the FY 2021-2022 and end on FY 2026-2027. The Same is repayable in 60 Monthly installments of ₹ 21.57 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Covid Loan from bank amounting of ₹ 517.74 Lakhs sanctioned during the FY 2021-2022 and end on FY 2027-2028. The Same is repayable in 36 Monthly installments of ₹ 12.34 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

The rate of interest on the above mentioned Term Loans ranges between 7.40% p.a to 11.30% p.a.

17.2 Vehicle Loan taken from Bank of Baroda amounting of ₹ 23.85 Lakhs was carried interest @ 10.00% sanctioned during the FY 2021-2022 and end on FY 2026-2027. The loan is repayable in 59 instalments of ₹ 0.48 Lakh including the interest, from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.

## 18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits from Dealers & Agent	465.52	543.68
<b>TOTAL</b>	<b>465.52</b>	<b>543.68</b>

## 19. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity ( Refer Note 33)	224.10	232.87
Compensated Absence	91.90	81.21
<b>TOTAL</b>	<b>316.00</b>	<b>314.08</b>

## CURRENT LIABILITIES

### 20. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Loans repayable on demand (Refer Note 20.1)</b>		
<b>From Bank</b>		
Cash credit from bank	4,785.12	2,830.35
Working Capital Demand Loan	-	1,535.07
<b>TOTAL</b>	<b>4,785.12</b>	<b>4,365.42</b>

20.1 Cash credit from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 7.40% p.a to 11.30% p.a and the same is repayable on demand.

### 21. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 21.1 )	1,296.53	295.81
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,416.79	2,679.10
<b>TOTAL</b>	<b>4,713.32</b>	<b>2,974.91</b>

**21.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).**

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise	1,296.53	295.81
	Interest due on above	31.55	17.43
(ii)	Interest paid by the Company in terms of Section 16 of the MSMED Act, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	31.55	17.43

Dues to Micro and small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management.

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>						
(i) MSME	1,296.53	-	-	-	-	<b>1,296.53</b>
(ii) Others	3,331.58	55.17	25.03	5.01	-	<b>3,416.79</b>
<b>As at 31 March 2021</b>						
(i) MSME	295.81	-	-	-	-	<b>295.81</b>
(ii) Others	2,295.79	97.26	285.76	0.29	-	<b>2,679.10</b>

**22. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Maturities of long term borrowings	289.01	544.95
Unclaimed dividend	7.25	7.85
Capital Creditors	21.72	23.24
Employee Dues	327.53	292.71
Liabilities towards Incentive & discount	471.08	447.00
Others Liabilities	152.24	172.89
<b>TOTAL</b>	<b>1,268.83</b>	<b>1,488.64</b>

**23. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Revenue received in advance</b>		
Advance Received from Customers	54.25	521.01
Advance Received against Land & Building	100.00	-
Others		
Statutory Dues	84.21	69.69
<b>TOTAL</b>	<b>238.46</b>	<b>590.70</b>

**24. PROVISION**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity (Refer to Note No. 33)	12.37	20.05
Compensated Absence	13.88	18.75
<b>TOTAL</b>	<b>26.25</b>	<b>38.80</b>

**25. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products	25,001.12	12,710.49
Sales of services (Job charges Received)	513.62	856.43
Other operating revenues	217.63	424.19
<b>TOTAL</b>	<b>25,732.37</b>	<b>13,991.11</b>

(₹ in Lakhs)

Reconciliation of Gross Revenue with the Revenue from Contracts with Customers	Year Ended March 31, 2022	Year Ended March 31, 2021
Gross Revenue	25,732.37	14,362.02
Less: Incentive & Discounts	(451.07)	(370.91)
<b>Net Revenue recognised from Contracts with Customers</b>	<b>25,281.30</b>	<b>13,991.11</b>

**26. OTHER INCOME**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income on -		
Bank Deposits	0.84	0.68
Secutiry Deposits	8.36	10.19
Lease income	-	37.54
Other non operating income	1.12	27.88
Profit on Sale of Property, Plant and Equipments / Investment Properties	0.10	297.07
Reversal of Allowance of Doubtful Debts	7.64	3.75
<b>TOTAL</b>	<b>18.06</b>	<b>377.11</b>

**27. COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventory at the beginning of the year	1,674.06	1,227.07
Add: purchases	14,411.49	6,216.76
	<b>16,085.55</b>	<b>7,443.83</b>
Less : Inventory at the end of the year	2,239.52	1,674.06
<b>COST OF MATERIAL CONSUMED</b>	<b>13,846.03</b>	<b>5,769.77</b>

**28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Inventories</b>		
Finished goods	1,664.20	2,489.13
Work-in-Progress	1,540.19	1,661.88
<b>TOTAL</b>	<b>3,204.39</b>	<b>4,151.01</b>
<b>Closing Inventories</b>		
Finished goods	3,057.00	1,664.20
Work-in-Progress	1,444.83	1,540.19
<b>TOTAL</b>	<b>4,501.83</b>	<b>3,204.39</b>
<b>TOTAL</b>	<b>(1,297.44)</b>	<b>946.62</b>

**29. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	2,990.21	1,847.46
Contribution to Provident and Other Funds ( Refer Note 34.1)	340.99	245.67
Staff Welfare Expenses	42.87	22.29
<b>TOTAL</b>	<b>3,374.07</b>	<b>2,115.42</b>

**30. FINANCE COSTS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expenses	744.74	772.92
Other borrowing cost	48.37	37.82
<b>TOTAL</b>	<b>793.11</b>	<b>810.74</b>

**31. OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of stores, spare parts and others	288.24	162.27
Consumption of Packing Materials	302.80	127.98
Power and fuel	511.77	376.41
Job Work Charges	2,724.64	1,162.54
Repairs and Maintenances-Buildings.	7.09	3.79
Repairs and Maintenances-Machinery.	57.53	22.02
Repairs and Maintenances-Others.	116.54	92.95
Travelling and conveyance	96.89	66.83
Brokerage and commission	396.87	134.47
Advertisement and marketing expenses	379.41	211.98
Freight outward charges	290.83	152.54
CSR Expenses ( Refer Note 42)	-	8.80
Lease rent amortization	9.58	0.21
Legal and professional fees	127.50	124.68

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss on Sale of Property, Plant and Equipments	0.26	24.11
Insurance	47.15	57.10
Payment to the auditor (Refer note 32)	10.20	11.21
PPE Discarded	-	54.72
Miscellaneous expenses	103.75	113.76
<b>TOTAL</b>	<b>5,471.05</b>	<b>2,908.37</b>

**32. PAYMENT TO THE AUDITORS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Audit Fees	6.00	6.00
(b) For Taxation matters	1.50	1.50
(c) Company Law matters	1.50	2.50
(d) Other services	1.00	1.00
(e) Reimbursement of expenses	0.20	0.21
<b>TOTAL</b>	<b>10.20</b>	<b>11.21</b>

**33. Disclosure in respect of Employee Benefits****(i) Defined contribution plans:**

The Company has recognized the following amounts in the statement of profit and loss:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Employers' contribution to provident fund	222.42	122.94

**Annual Leave Liabilities**

The Company records an obligation for compensated absences in the period in which the employee renders the services that increase his entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation carried out by using Projected Unit Credit (PUC). A provision of ₹ 12.31 lakhs (previous year ₹ 19.51 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

**(ii) Disclosure in respect of defined benefit plans (Gratuity) is as under**

The principal assumptions used for the purpose of actuarial valuation were as under:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Discount rate per annum	7.21%	6.79%
Expected rate of salary increase	3.50%	3.00%
Mortality rate	IALM (20012-14) ultimate, duly modified	IALM (20012-14) ultimate, duly modified

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Withdrawal rates:		
- Upto 30 years	3% to 5%	3% to 5%
- 31 to 44 years	2%	2%
- above 44 years	1%	1%
- Retirement age*	58 Years	58 Years

The Directors, CEO retirement age is 75

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	39.76	37.57
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
<b>Total Service Cost</b>	<b>39.76</b>	<b>37.57</b>
Interest Expense on DBO	14.98	17.44
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
<b>Total Net Interest Cost</b>	<b>14.98</b>	<b>17.44</b>
Reimbursement of Other Long Term Benefits	-	-
<b>Defined Benefit Cost included in P &amp; L</b>	<b>54.74</b>	<b>55.00</b>
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	2.12	0.85
Remeasurements - Due to Experience Adjustments	(8.78)	(49.02)
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
<b>Total Remeasurements in OCI</b>	<b>(6.66)</b>	<b>(48.17)</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>48.08</b>	<b>6.83</b>
<b>Discount Rate</b>	7.21%	6.79%
<b>Salary Escalation Rate</b>	3.50%	3.00%

The current service cost and the net interest expense for the year are included in the salaries,wages,bonus,gratuity etc. in note 29 "Employee Benefits expense". The actuarial(gain)/loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Net Defined Benefit Liability / (Asset) at the beginning</b>	<b>252.92</b>	<b>265.23</b>
Defined Benefit Cost included in P & L	54.74	55.00
Total Remeasurements included in OCI	(6.66)	(48.17)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(64.53)	(19.14)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
<b>Net Defined Benefit Liability / (Asset) at the end</b>	<b>236.47</b>	<b>252.92</b>

**(c) Movements in the fair value of plan assets are as follows:**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Employer contribution	64.53	19.14
Remeasurement gains/(losses):	-	-
- Return on plan assets (higher)/lower than discount rate	-	-
Benefits paid	(64.53)	(19.14)
Closing fair value of plan assets	-	-

**(d) Movements in the present value of defined benefit obligations are as follows:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening defined benefit obligation	252.92	265.22
Current service cost	39.76	37.57
Past service cost *	-	-
Interest cost	14.98	17.44
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	2.12	0.85
- Actuarial (gain)/loss from changes in demographic assumptions	-	-
- Actuarial (gain)/loss arising from experience adjustments	(8.78)	(49.02)
Benefits paid by employer	(64.53)	(19.14)
Benefits paid from plan assets	-	-
Closing defined benefit obligations	236.47	252.92

**(e) Sensitivity analysis****Summary of Financial & Demographic Assumptions**

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	DBO	Percentage Change
Under Base Scenario	236.47	0.00%
Salary Escalation - Up by 1%	265.98	12.50%
Salary Escalation - Down by 1%	211.36	-10.60%
Withdrawal Rates - Up by 1%	246.96	4.40%
Withdrawal Rates - Down by 1%	224.25	-5.20%
Discount Rates - Up by 1%	211.48	-10.60%
Discount Rates - Down by 1%	266.26	12.60%

**(f) Movements in the present value of defined benefit obligations are as follows:**

Expected Cash flow for following years:

Year 1	12.37
Year 2	9.34
Year 3	12.81
Year 4	13.02
Year 5	12.70
Year 6	23.31
Year 7	16.14
Year 9	17.39
Year 10	16.35

The weighted average duration of the defined benefit obligation is 17.72

(g) The average expected future working life of members of the defined benefit obligation as at March 31, 2022 is 21.00 years (as at March 31, 2021: 21.00 years)

**(h) Best Estimate of Contribution during the next year**

The Best Estimate Contribution for the Company during the next year would be ₹ 118.24 Lakhs

1) **The Company has a defined benefit gratuity plan in India. The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as company's scheme for Gratuity.**

2) **Gratuity is a defined benefit plan and company is exposed to the following risks:**

**Interest Risk** Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

**Salary Risk** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability

**Investment Risk** The present value of defined benefit plan liability calculated using a discount rate which is determined by reference to market yields as at the end of the reporting period on government bonds. If the return on plant assets is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Assets Liability Matching Risk** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**Mortality Risk** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**34. EARNINGS PER SHARE**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lakhs)	65.19	(578.83)
(ii) Weighted Average Number of equity shares used as denominator for calculation of EPS	58,69,371	58,69,371
Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	58,69,371	58,69,371
(iii) Basic Earning per share	1.11	(9.86)
(iv) Diluted Earning per share	1.11	(9.86)
(v) Face value per equity share	10.00	10.00

**35. CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debt	952.02	1,045.96
b) Guarantees	35.90	35.90
c) Bonus Payable (As Per Revised Bonus Act)	23.64	23.64
	<b>1,011.56</b>	<b>1,105.50</b>
<b>Commitments</b>		
a) Other commitments - pending obligation under EPCG scheme	36.49	36.49
	36.49	36.49
<b>TOTAL</b>	<b>1,048.05</b>	<b>1,141.99</b>

**36. Disclosure in respect of Related Party Disclosures as per Ind AS 24**

As Per Indian Accounting Standard (Ind AS 24), the disclosures of the transactions with the related parties as defined in the Accounting Standard are given below

**(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:**

List of Related Parties		Relationship
1	Future Corporate Resources Pvt Limited	Enterprises having significant influence in the Company
2	Jagruti Synthetics Limited	Other Related Parties(Enterprises-KMP having significant influence/Owned by Major Shareholders)
3	Metawear Limited	Associated Concern
4	Mr. Pradip Kumar Goenka (Chairman & Managing Director)	Key Management Personnel (KMP)
5	Mr. Tilak Pradip Goenka (Executive Director)	
6	Mr. Abhay Kumat (CEO)	
7	Mr. Sanjeev Maheshwari (Non-Executive Director)*	
8	Mr. Rahul Mehta (Non-Executive Director)	
9	Mr. Anil Biyani (Non-Executive Director)	
10	Mrs. Bindu Shah (Non-Executive Director)	
11	Mr. Abhas Kumat	Relatives of the Key Management Personnel (KMP)
12	Mrs. Jyoti Kumat	

\* cession September 07, 2021

**(ii) Related Party Transactions**

(₹ in Lakhs)

Particulars	Transaction during the year		Outstanding Balance 31st March 2022		Outstanding Balance 31st March 2021	
	March 31, 2022	March 31, 2021	Receivable	Payable	Receivable	Payable
<b>a) Sales of Products</b>						
Jagruti Synthetics Limited	8.94	77.96	-	-	-	2.00
<b>b) Purchase of Goods</b>						
Jagruti Synthetics Limited	489.30	304.39	-	-	-	61.64
<b>c) Job Charges Paid / Receipt</b>						
Jagruti Synthetics Limited	362.47	245.05	-	-	-	30.52
<b>d) Rent Expenses</b>						
Jagruti Synthetics Limited	75.60	75.60	-	-	-	6.30
Mrs. Jyoti Kumat	5.64	5.64	-	-	-	0.28
<b>e) Managerial Remuneration</b>						
Mr. Pradip Kumar Goenka	45.00	20.17	-	-	-	2.25
Mr. Tilak Goenka	47.92	17.70	-	-	-	3.45
<b>f) Salary</b>						
Mr. Abhay Kumat	80.12	35.06	-	-	-	3.86
Mr. Abhas Kumat	29.44	7.84	-	-	-	1.28
<b>g) Sales of Products</b>						
Metawear Limited	149.86	-	-	-	-	-
<b>h) Purchase of Products</b>						
Metawear Limited	0.72	-	-	-	-	-
<b>i) Loan</b>						
Metawear Limited	20.00	-	-	-	-	-

**(iii) Directors Sitting Fees**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2022
Mr. Sanjeev Maheshwari	0.42	1.01
Mr. Rahul Mehta	0.82	1.05
Mr. Anil Biyani	0.52	0.43
Mrs. Bindu Shah	1.06	1.05
Mr. Sunil Agrawal	0.60	-
<b>Total</b>	<b>3.42</b>	<b>3.54</b>

**37. Disclosure in respect of Operating Segments as per Ind AS 108**

The company is engaged in manufacturing (in house and outsourced) fabrics, ready to wear garments, considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e. Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under Indian Accounting Standards (Ins AS 108) - Operating Segments.

**38. Disclosure in respect of operating leases as per Ind AS 116 'Leases'**

This note provides the information for lease and right to use where the company is a lessee.

Following are the changes in the carrying value of right of use assets:

(₹ in Lakhs)

As at April 01, 2021	Office Premises	Total
<b>Gross carrying amount</b>		
Opening gross carrying amount	1,242.63	1,242.63
Additions	145.04	145.04
Disposals and transfers		-
<b>Closing gross carrying amount</b>	<b>1,387.67</b>	<b>1,387.67</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	566.52	566.52
Depreciation charged	234.60	234.60
Disposals and transfers		-
<b>Closing accumulated depreciation</b>	<b>801.12</b>	<b>801.12</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>586.55</b>	<b>586.55</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the statement of profit and loss. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 11.00 %

Following are the changes in the carrying value of Lease Liability:

(₹ in Lakhs)

Particulars	As at 31 March 2022
<b>Balance as at beginning</b>	767.48
Additions	179.93
Finance cost accrued during the year	-
Deletions	(216.17)
Payment of lease liabilities	
<b>Balance as at end</b>	<b>731.24</b>
<b>Non- Current</b>	<b>500.86</b>
<b>Current</b>	<b>230.38</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March 2022
Less than one year	230.38
One to five years	500.86
More than five years	-
<b>TOTAL</b>	<b>731.24</b>

Rental expense recorded for short-term leases was ₹ 299.41 Lakhs and ₹ 274.42 Lakhs for the year ended March 31, 2022 and March 31, 2021 respectively. There are no rental expense recorded for low-value assets or for any of variable lease payments for any of the reporting year.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### 39. FAIR VALUE MEASUREMENTS

#### i. Categorywise classification of Financial Instruments

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2022	March 31, 2021
<b>FINANCIAL ASSETS</b>		
<b>Amortised cost</b>		
<b>Other Non Current Financial Assets</b>	246.59	239.45
<b>Current</b>		
Trade Receivables	5,964.59	4,922.08
Cash and Cash Equivalents	4.69	37.73
Bank Balances other than above	7.25	12.89
Loans	15.63	18.50
Other Financial Assets	44.55	76.61
<b>Total</b>	<b>6,283.30</b>	<b>5,307.26</b>

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2022	March 31, 2021
<b>FINANCIAL LIABILITIES</b>		
<b>Amortised cost</b>		
<b>Non Current</b>		
Borrowings	1,630.89	345.19
Lease Liability	500.86	580.32
Other Financial Liabilities	465.52	543.68
<b>Current</b>		
Borrowings	4,785.12	4,365.42
Lease Liability	230.38	187.15
Trade Payables	4,713.32	2,974.91
Other financial liabilities	1,268.83	1,488.64
<b>Total</b>	<b>13,594.92</b>	<b>10,485.31</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

### iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

### iv. Valuation processes

The accounts and finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting requirements.

## 40. INCOME TAX EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Income tax Expenses	26.07	-
(b) Deferred tax	3.69	(221.31)
<b>Total Tax Expenses</b>	<b>29.76</b>	<b>(221.31)</b>

### (b) Reconciliation of tax Expenses and Accounting Profits

(₹ in Lakhs)

Particulars	For year Ended March 31, 2022	For year Ended March 31, 2021
Profit / (Loss) for the year	94.95	(800.14)
Tax Rates	25.168%	25.168%
Income tax expense calculated	23.90	(201.38)
(ii) Impact of adoption of new Tax regime U/s 115 BAA on Deferred Tax Liabilities	-	-
(iii) Tax adjustment for earlier year	-	-
(iv) Others	2.17	(19.93)
<b>Income Tax Expense</b>	<b>26.07</b>	<b>(221.31)</b>

### (c) Deferred Tax Movements

Major Components of Deferred tax Movements arising on account of timing difference are as follows

(₹ in Lakhs)

Particulars	Provision for gratuity	Provision for Compensated absences	Property, Plant and Equipment	Unabsorbed tax losses	Others	Total
<b>As at March 31, 2020</b>	<b>60.30</b>	<b>22.70</b>	<b>(179.76)</b>	<b>100.98</b>	<b>63.08</b>	<b>67.30</b>
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	(3.20)	2.45	22.89	186.73	0.31	209.18
Other comprehensive income	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>57.10</b>	<b>25.15</b>	<b>(156.87)</b>	<b>287.71</b>	<b>63.39</b>	<b>276.48</b>
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	4.14	(1.47)	1.52	-	2.85	7.04
Other comprehensive income	-	-	-	-	(1.67)	(1.67)
<b>As at March 31, 2022</b>	<b>52.96</b>	<b>26.62</b>	<b>(158.39)</b>	<b>287.71</b>	<b>62.21</b>	<b>271.11</b>

## 41. Financial Risk Management

### Risk Management Framework

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

#### 41.1 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

##### 41.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

#### Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on profit or loss before tax may be as follows:

(₹ in Lakhs)

Particulars	Impact on Profit before tax	
	As at March 31, 2022	As at March 31, 2021
Interest rate - increase by 100 basis points (100 bps)*	(67.05)	(52.56)
Interest rate - decrease by 100 basis points (100 bps)*	67.05	52.56

\* Holding all other variable constant

##### 41.1.2 Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies. Foreign Currency Risk is risk that fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company entered into forward exchange contract average maturity of 90-180 days to hedge against its foreign currency exposures relating to underlying liabilities firm commitments. The Company has not entered into any Derivatives instruments for trading and speculative purposes.

There is no foreign currency exposure during the year (P.Y. NIL).

#### 41.2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 5964.59 lakhs and ₹ 4922.08 lakhs as of March 31, 2022 and March 31, 2021 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The average credit period on sale of goods is 90 to 180 days.

#### Trade Receivables

##### a) Ageing

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
0-180 days	5,712.23	4,468.81
More than 180 days	252.36	453.27
<b>Total</b>	<b>5,964.59</b>	<b>4,922.08</b>

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

(₹ in Lakhs)

Movement in expected credit loss allowance on trade receivables	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	21.42	27.33
Less:- Provision reversed	(7.64)	(5.91)
Balance at the end of the year	13.78	21.42
<b>Total</b>	<b>5,964.59</b>	<b>4,922.08</b>

### 41.3 Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31st March 2022, The Company had a working capital of ₹ 2438.25 Lakhs including cash and cash equivalent of ₹ 4.69 Lakhs. As of 31st March 2021, The Company had a working capital of ₹ 930.46 Lakhs including cash and cash equivalent of ₹ 37.73 Lakhs.

#### 41.3.1 Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities. The amount disclosed in the tables are contractual undiscovered cash flow.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 Year to 5 Year	Over 5 Year	Total
<b>As 31 March 2022</b>				
Borrowings	5,074.13	1,630.89	-	6,705.02
Lease Liability	230.38	500.86	-	731.24
Trade Payables	4,713.32	-	-	4,713.32
Other Financial Liabilities	979.82	465.52	-	1,445.34
<b>As 31 March 2021</b>				
Borrowings	4,910.37	345.19	-	5,255.56
Lease Liability	187.15	580.32	-	767.47
Trade Payables	2,974.91	-	-	2,974.91
Other Financial Liabilities	943.69	543.68	-	1,487.37

### 41.4 Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debts (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital.

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Total borrowings	6,705.02	5,255.56
Less : Cash and cash equivalents	(4.69)	(37.73)
<b>Adjusted net debt</b>	<b>6,700.33</b>	<b>5,217.83</b>
Total equity	3,327.60	3,870.39
<b>Adjusted equity</b>	<b>3,327.60</b>	<b>3,870.39</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>2.01</b>	<b>1.35</b>

**42. CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Gross Amount required to be spent by the Company during the year	-	8.80
b) Amount spent during the year	-	8.80

**43. RATIO ANALYSIS**

Sr No.	Ratio	Formula	As at March 31, 2022	As at March 31, 2021	% Changes	Reason for variance
			Ratio			
1	Current Ratio	Current Assets / Current Liabilities	1.22	1.10	10.95%	Refer Note (a)
2	Debt Equity Ratio	Long term debt / Equity Shareholder's Fund	2.78	0.59	372.46%	Refer Note (b)
3	Debt Service Coverage Ratio	Net Operating Income / Total Debt Services	0.01	(0.15)	-109.30%	
4	Return on Equity Ratio	Net Income / Shareholder's Equity	0.12	(0.92)	-112.93%	
5	Inventory turnover ratio	Cost of goods sold / Average inventory	2.38	1.13	111.82%	
6	Trade Receivables turnover ratio	Net Annual Credit Sales / Average Accounts Receivables	4.69	2.84	65.09%	
7	Trade payables turnover ratio	Net Annual Credit Purchases / Average Accounts Payable	3.75	2.06	81.79%	
8	Net capital turnover ratio	Net Annual Sales / Shareholder's Equity	1.13	0.60	88.07%	
9	Net profit ratio	Net Profit' / Revenue	0.27%	-3.78%	-107.21%	
10	Return on Capital employed	EBIT / Capital Employed*	0.36	0.01	3097.10%	
11	Return on investment	1) Net Return on Investment / Cost of Investment x100%	-	-	-	

**Notes :**

- a. Increase in Current Assets as well as Current Liabilities were in accordance with the increase in level of activities.
- b. During the previous year, on account of covid outbreak and various government restrictions, operations of the Company were impacted significantly. During the year, the situation has improved and accordingly, cashflows and profitability of company has also improved as compared to previous year. Accordingly, all ratios related to cash flows, revenue and profitability of the Company has been improved as compared to previous year.
44. Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figure

**As per our Report of even date.****For DMKH & Co.**

Chartered Accountants  
ICAI FRN No. 116886W

**For and on behalf of the Board****Anant Nyatee**

Partner  
Membership No. 447848

**Pradip Kumar Goenka**

Chairman & Managing Director  
DIN No. 00516381

**Tilak Pradip Goenka**

Director  
DIN No. 00516464

Date : May 27, 2022  
Mumbai

**Jagdish Prasad Dave**  
Chief Financial Officer

**Deepa Toshniwal**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To

**The Members**

**Kamadgiri Fashion Limited**

### REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

#### Opinion

We have audited the Consolidated Ind AS financial statements of **Kamadgiri Fashion Limited** (hereinafter referred to as "the Holding Company"), and its Associate Company, Metawear Limited, which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended and notes to the consolidated Ind AS financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial Ind AS statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such Associate Company as were audited by the other auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with Accounting principles generally accepted in India, of the consolidated state of affairs of the Group and Associate Company as at March 31, 2022, of its consolidated profit and total comprehensive income (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and Associate Company in accordance with the ethical requirement that are relevant to our audit of the consolidated Ind AS financial statement in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant provision of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained along with the consideration of reports of the other auditors referred to in paragraph (a) of the "other matter" section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statement.

#### Emphasis of Matter paragraph

1. We draw attention to Note No. 45 of the Statement, which states based on management's interpretation and the perusal of the Share Holders Agreement, between Metawear Limited ("the Company"), Kamadgiri Fashion Limited ("the Promoter") and Think9 Consumer Technologies Pvt Ltd ("the Co-Creator"), it has been established that even though Kamadgiri Fashion Limited holds 51% equity share capital of Metawear Limited, it is a subsidiary of Think9 Consumer Technologies Pvt Ltd, since Think9 Consumer Technologies Pvt Ltd exercises control over Metawear Limited in terms of para 6 and 7 of Ind AS-110 - Consolidated Financial Statements and holds 49% of its equity share capital. Hence, Consolidation of Financial Statements of Metawear Limited in the books of Kamadgiri Fashion Limited is done as an associate and not subsidiary. Our opinion is not modified in respect of this matter.

2. We draw attention to below matters, which have been reported as an emphasis of matter in the audit reports issued by other independent firms of Chartered Accountants on the audited financial statements of its Associate Company for the year ended 31 March, 2022.

"Reference is invited to the following Notes in the Standalone Financial Statements:

1. Note 2 regarding intangible assets including capital advance/ intangible assets under development is accounted based on value determined by management.

2. Note 19 during the period the Company has incurred Rs.91.90 lakhs which is account based on invoice available for service provided for which certain agreement/documentation procedure are in progress.

3. Note 29 regarding provision for employee benefit as require under Ind AS 19 'Employee Benefits' not considered in the financial statements. In the opinion of the management impact if any of which is not material.

4. Note 31(h) regarding physical verification of inventory was not conducted at period ended 31 March, 2022 for inventory appearing in books of accounts.

5. Note 31(i) regarding balance confirmation of debtors and creditors sought for direct confirmation from parties yet to received.

Our opinion is not modified in respect of this matter."

Our opinion is not modified in respect of above matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matters</b>	
<b>1. Carrying value of Trade Receivables</b>	<b>How our audit addressed the key audit matter</b>
<p>The recoverability of Trade Receivables and the level of provisions for doubtful debts are considered to be a significant risk due to the pervasive nature of these balances to the Financial Statements and the importance of cash collection with reference to the working capital management of the business.</p> <p>As at March 31, 2022, Trade receivables constitutes approximately 34% of total assets of the Company.</p> <p>Expected credit loss involves judgement as it must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management has made provision for expected credit loss of Rs. 13.78 lacs.</p> <p>The company is required to regularly assess the recoverability of its Trade Receivables, Hence it is a key audit matter in our audit of Consolidated Ind AS Financial Statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Revised assessed risk and modify our audit procedures to mitigate these risks;</li> <li>• Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.;</li> <li>• Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;</li> <li>• Performed alternative audit procedures like <ul style="list-style-type: none"> <li>- For accounts receivable balances: scrutiny of ledger accounts and verification of subsequent receipts;</li> <li>- For accounts payable balances: scrutiny of ledger accounts and other documents/records, such as bills from vendors and subsequent payments.</li> </ul> </li> </ul>
<b>2. Valuation of Inventories</b>	<b>How our audit addressed the key audit matter</b>
<p>The net carrying value of inventory as on 31<sup>st</sup> March 2022 is 39.22% of Total Assets of the Company.</p> <p>Sales in the industry can be extremely volatile with the consumer demand changing significantly (Seasonal) based on current trends. As a result there is a risk that the carrying value of inventory exceeds its net Realizable Value.</p> <p>Hence we have determined valuation of inventories as a Key Audit Matter.</p>	<p>Our audit procedures with respect to valuation of inventories included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the rationality of Inventory Policies such as the policy of inventory valuation and provision for obsolescence and understanding whether the valuation of inventory was performed in accordance with the Companies Policy.</li> <li>• Analyzing the inventory aging report and net realizable value Of Inventories.</li> <li>• Inspecting the post period sales situation and evaluating the net realizable value of measurement applied on aging inventory in order to verify the evaluation accuracy of the estimated inventory allowance by the company.</li> <li>• Performed procedures for year-end physical verification count of inventory where quantities counted for selected samples were compared with quantities recorded.</li> </ul> <p>We have also evaluated a section of controls over inventory existence across the company.</p>
<b>3. Revenue Recognition</b>	<b>How our audit addressed the key audit matter</b>
<p>Revenue is an important measure used to evaluate the performance of the company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the company.</p> <p>Consequently We Considered Revenue Recognition to be a Significant Key Audit Matter.</p>	<p>Our audit procedures with respect to Revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Inspecting underlying documentation for any book entries which were considered to be material on a sample basis.</li> <li>• Inspecting the key terms and conditions of agreements with major customers on a sample basis to assess if there were any terms and conditions that may have affected the accounting treatment of the revenue recognition.</li> <li>• The accuracy and completeness of revenue was verified through Cut-Off testing and Analytical Reviews.</li> </ul> <p>Assessing the design implementation existence and operating effectiveness of Internal Control Procedures implemented as well as test of details to ensure accurate processing of Revenue Transactions.</p>

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

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding company annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Managements' and Board of Directors' Responsibilities for the Consolidated Ind AS Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated Statement of changes in equity of the Group including its Associate Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its Associate Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its Associated Company are also responsible for overseeing the Company's financial reporting process of the Group and its Associate Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

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

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

- Identify and assess the risk of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (I) of the Act, we are also responsible for expressing our opinion on whether has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors are use of the going concern basis of accounting in preparation of consolidated Ind AS financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and of its Associate Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated Ind AS financial statement of such entities or business activities within the Group and its Associate Company to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. our responsibilities in this regard are further described in paragraph (a) of the section titled " Other Matters " in this report

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statement of Associate Company whose financial statements reflect net loss after tax of Rs. 63.21 lakhs (before consolidation adjustments) and our share of net loss of Rs. 32.24 lakhs for the year ended 31 March 2022, as considered in the consolidated Ind AS financial statements. This financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid Associate Company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate Company is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors/ Independent firm of Chartered Accountants on separate financial statements and other financial information of the associate company incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under to the extent applicable to the Company.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors of the holding, its Associate Company incorporated in India, none of the directors of the Group companies and its Associate Company is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its associate company covered under the Act and the operating effectiveness of such controls, refer to our separate Report in **Annexure “A”** wherein we have expressed an unmodified opinion.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the associate company incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on its Consolidated Financial position of the group and Associate Company in its consolidated Ind AS financial statement;
  - ii. Provision has been made in these consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its associate company during the year ended 31 March 2022;
  - iv.
    - a) The respective managements of the Holding Company and its associate company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Associate Company, to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its Associate Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its Associate Company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its Associate Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Associate Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures performed by us and that performed by the other auditors of the associate company, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. Holding company or its Associate Company has neither declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure B** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For DMKH & CO.**  
Chartered Accountants  
Firm Registration Number: 116886W

**CA Anant Nyatee**  
Partner  
Membership Number: 447848  
UDIN: 22447848AKDGI18868

Place: Mumbai  
Date: May 27, 2022

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Kamadgiri Fashion Limited of even date)

### **Independent Auditor’s Report on the Internal Financial Controls Over Financial Reporting with reference to Consolidated Ins AS financial statements 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 **KAMADGIRI FASHION LIMITED** (the “Company”) as of March 31, 2022 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the holding Company and its Associate Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to consolidated Ins AS financial statements of the Holding Company and its Associate Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to consolidated Ind AS financial statements of Holding Company and its Associate Company, as aforesaid.

#### **Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements**

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

**Opinion**

In our opinion, to the best of our information, according to the explanations given to us, and based on the consideration of the reports of the other auditors on internal financial controls with reference to consolidated Ind AS financial statements, the Holding Company and its Associate Company has, in all material respects, adequate internal financial controls and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Holding Company and its Associate 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.

**Other Matter**

We did not audit the internal financial controls with reference to financial statements insofar as it relates to Associate Company, whose financial statements include the Group's share of net loss of Rs. 32.24 lakhs (before eliminating intercompany transactions) for the year ended 31 March 2022. The internal financial controls with reference to financial statements in so far as it relates to such associate company have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its associate company, as aforesaid, is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**For DMKH & CO.**  
Chartered Accountants  
Firm Registration Number: 116886W

**CA Anant Nyatee**  
Partner  
Membership Number: 447848  
UDIN: 22447848AKDGI18868

Place: Mumbai  
Date: May 27, 2022

**Annexure “B” To Independent Auditor’s Report**

(Referred to in Paragraph 2 under the heading of “Report on other Legal and Regulatory Requirements” of our report to the **Kamadgiri Fashion Limited** of even date)

**Report on the Companies (Auditor’s Report) Order, 2020, with reference to consolidated Ind AS financial statements, issued in terms of Section 143(11) of the Companies Act, 2013 (“the Act”) of the Kamadgiri Fashion Limited (“the Company”):**

- xxi. We draw attention to below matters, which have been adversely reported in the audit report issued by other independent firms of Chartered Accountants on the audited financial statements of its Associate Company for the year ended 31 March, 2022.
1. “ii. (a) According to information and explanation given to us physical verification of inventories was not conducted by management at period ended.”
  2. “xiv. The company did not have internal audit in operation during the period.”

**For DMKH & CO.**  
Chartered Accountants  
Firm Registration Number: 116886W

**CA Anant Nyatee**  
Partner  
Membership Number: 447848  
UDIN: 22447848AKDGI18868

Place: Mumbai  
Date: May 27, 2022

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2022	As at Mar 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	2,622.79	2,859.28
Right of use Assets	2.1	586.55	676.11
Intangible Assets	2	50.45	40.16
Intangible Assets under development		-	23.49
<b>Financial Assets</b>			
Other Financial Assets	3	246.59	239.45
Deferred tax assets (net)	4	271.11	276.48
Current Income tax assets (Net)	12	63.19	55.35
Other non current assets	5	32.14	10.09
<b>Total Non-Current Assets</b>		<b>3,872.82</b>	<b>4,180.41</b>
<b>Current Assets</b>			
Inventories	6	6,880.48	5,034.51
<b>Financial Assets</b>			
Trade Receivables	7	5,964.59	4,922.08
Cash and Cash Equivalents	8	4.69	37.73
Bank Balances other than above	9	7.25	12.89
Loans	10	15.63	18.50
Others Financial Assets	11	44.55	76.61
Investment in Shares	13	18.76	-
Other Current Assets	14	732.42	473.76
<b>Total Current Assets</b>		<b>13,668.37</b>	<b>10,576.08</b>
<b>Total Assets</b>		<b>17,541.19</b>	<b>14,756.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	586.94	586.94
Other Equity	16	2,778.62	2,740.66
<b>Total Equity</b>		<b>3,365.56</b>	<b>3,327.60</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	1,630.89	345.19
Lease Liability		500.86	580.32
Other financial liabilities	18	465.52	543.68
Provisions	19	316.00	314.08
<b>Total Non-Current Liabilities</b>		<b>2,913.27</b>	<b>1,783.27</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	4,785.12	4,365.42
Lease Liability		230.38	187.15
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	21	1,296.53	295.81
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	3,416.79	2,679.10
Other Financial Liabilities	22	1,268.83	1,488.64
Other Current Liabilities	23	238.46	590.70
Provisions	24	26.25	38.80
<b>Total Current Liabilities</b>		<b>11,262.36</b>	<b>9,645.62</b>
<b>Total Equity and Liabilities</b>		<b>17,541.19</b>	<b>14,756.49</b>

Notes along with significant accounting policies form an integral part of the financial statements 1 to 45

As per our Report of even date.

For **DMKH & Co.**  
Chartered Accountants  
ICAI FRN No. 116886W

For and on behalf of the Board

**Anant Nyatee**  
Partner  
Membership No. 447848

**Pradip Kumar Goenka**  
Chairman & Managing Director  
DIN No. 00516381

**Tilak Pradip Goenka**  
Director  
DIN No. 00516464

Date : May 27, 2022  
Mumbai

**Jagdish Prasad Dave**  
Chief Financial Officer

**Deepa Toshniwal**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>REVENUE</b>			
I. Revenue From Operations	25	25,732.37	13,991.11
II. Other Income	26	18.06	377.11
<b>III. Total Revenue (I+II)</b>		<b>25,750.43</b>	<b>14,368.22</b>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	27	13,846.03	5,769.77
Purchases of Stock-in-Trade	-	2,882.25	1,960.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(1,297.44)	946.62
Employee Benefits Expense	29	3,374.07	2,115.42
Finance Costs	30	793.11	810.74
Depreciation and Amortization Expenses	2	586.41	657.03
Other Expenses	31	5,471.05	2,908.37
<b>Total Expenses (IV)</b>		<b>25,655.48</b>	<b>15,168.36</b>
<b>V. Profit / (Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>94.95</b>	<b>(800.14)</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit / (Loss) Before Exceptional Items and Tax (V-VI)</b>		<b>94.95</b>	<b>(800.14)</b>
<b>VIII. Tax Expense</b>			
(1) Current Tax	40	26.07	-
(2) Deferred Tax (Net)	40	3.69	(221.31)
		<b>29.76</b>	<b>(221.31)</b>
<b>IX. Profit / (Loss) For The Year (VII-VIII)</b>		<b>65.19</b>	<b>(578.83)</b>
<b>X. Share in (Loss) of Associates</b>		<b>(32.24)</b>	-
<b>XI. Other Comprehensive Income</b>			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of defined employee benefit plans		6.66	48.17
b) Income tax relating to above		(1.68)	(12.12)
<b>Other Comprehensive Income For The Year</b>		<b>4.98</b>	<b>36.05</b>
<b>XII. Total Comprehensive Income For The Year (IX+X+XI)</b>		<b>37.93</b>	<b>(542.78)</b>
<b>Earnings Per Equity Share of Face Value of ₹ 10/- each</b>			
Basic (in ₹)	34	0.56	(9.86)
Diluted (in ₹)	34	0.56	(9.86)

Notes along with significant accounting policies form an integral part of the financial statements 1 to 45

As per our Report of even date.

**For DMKH & Co.**

Chartered Accountants  
ICAI FRN No. 116886W

**For and on behalf of the Board**

**Anant Nyatee**

Partner  
Membership No. 447848

**Pradip Kumar Goenka**

Chairman & Managing Director  
DIN No. 00516381

**Tilak Pradip Goenka**

Director  
DIN No. 00516464

Date : May 27, 2022  
Mumbai

**Jagdish Prasad Dave**  
Chief Financial Officer

**Deepa Toshniwal**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax after exceptional items	(94.96)	(800.14)
Adjustments for :		
Depreciation and amortisation expense	586.41	657.03
(Gain) / Loss on sale of Property, Plant and Equipments (Net)	0.17	(272.95)
Interest income	(0.84)	(0.68)
Finance costs	793.11	810.74
Allowance for Bad and Doubtful Debts	(7.64)	(3.75)
	<b>1,371.21</b>	<b>1,190.39</b>
Operating Profit before Working Capital changes	1,466.17	390.25
Movement in working capital :		
Decrease / (Increase) in Inventories	(1,845.97)	505.94
(Increase)/Decrease in Trade Receivable	(1,042.51)	(287.48)
(Increase) in Loans & Advances	2.87	(0.07)
(Increase)/Decrease in Others Financial Assets	24.92	0.27
(Increase) in Other Current and Non Current Assets	(288.54)	4.22
(Decrease) in Trade Payable	1,738.42	(79.37)
(Decrease) / Increase in Other Current and Non-Current Liabilities	(352.23)	407.46
(Decrease) in Other financial liabilities	(5.85)	161.39
Increase in Provisions	10.63	(2.97)
	<b>(1,758.26)</b>	<b>709.39</b>
<b>Cash generated from operations</b>	(292.09)	1,099.64
Income Tax Paid	-	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(292.09)</b>	<b>1,099.64</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Inflow:</b>		
Sale of Property, Plant and Equipments	1.17	292.16
Interest Received/(Paid)	0.84	0.68
	<b>2.01</b>	<b>292.84</b>
<b>Outflow:</b>		
Purchase of Property, Plant and Equipments	(66.23)	(281.34)
Purchase of Intangible Assets	(12.53)	(9.41)
Investment in Shares (Subsidiary Company)	(51.00)	-
	<b>(127.75)</b>	<b>2.09</b>
<b>NET CASH GENERATED USED IN INVESTING ACTIVITIES</b>	<b>(127.75)</b>	<b>2.09</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Inflow:</b>		
Proceeds from Long Term Borrowings	1,554.00	586.29
Proceeds from Short Term Borrowings (Net)	419.70	-
	<b>1,973.70</b>	<b>586.29</b>
<b>Outflow:</b>		
Repayment of Long Term Borrowings	(554.99)	(349.56)
Repayment of Short Term Borrowings	-	(206.37)
Interest Paid	(793.11)	(810.74)
Dividend Paid	-	-
Payment of Lease Liability	(238.80)	(301.85)
	<b>(1,586.90)</b>	<b>(1,668.52)</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>386.80</b>	<b>(1,082.23)</b>
<b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>(33.04)</b>	<b>19.51</b>
Opening Balance Of Cash And Cash Equivalents	37.73	18.22
Closing Balance Of Cash And Cash Equivalents	4.69	37.73
<b>Notes to Cash Flow Statements:</b>		
Cash & Cash Equivalents comprise of:		
Cash on hand	3.94	8.94
Bank Balances with Scheduled Banks:		
In Current Accounts	0.75	28.79
	<b>4.69</b>	<b>37.73</b>

Note 1 : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS 7) - Statement of Cash Flow.

### Changes in liabilities arising from financial activities

Particulars	As at March 31, 2021	Net Cash Flow	Non Cash Changes		As At March 31, 2022
			Fair Value Changes	Current/Non Current Classification	
Borrowings Non current	345.19	1,574.71	-	(289.01)	1,630.89
Other Financial Liabilities	544.95	33.07	-	(289.01)	289.01
Borrowings current	4,365.42	419.70	-	-	4,785.12

As per our Report of even date.

For **DMKH & Co.**  
Chartered Accountants  
ICAI FRN No. 116886W

For and on behalf of the Board

**Anant Nyatee**  
Partner  
Membership No. 447848

**Pradip Kumar Goenka**  
Chairman & Managing Director  
DIN No. 00516381

**Tilak Pradip Goenka**  
Director  
DIN No. 00516464

Date : May 27, 2022  
Mumbai

**Jagdish Prasad Dave**  
Chief Financial Officer

**Deepa Toshniwal**  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022****EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Balance as at the beginning of the year	586.94	586.94
Add/Less: Change in equity share capital during the year	-	-
Balance as at end of the year	<b>586.94</b>	<b>586.94</b>

**OTHER EQUITY**

(₹ in Lakhs)

Particulars	Other Equity				Total Other Equity
	Reserves and surplus				
	Securities premium reserve	Capital reserve	General reserve	Retained Earnings	
<b>As at April 1, 2020</b>	731.66	37.00	670.02	1,844.79	3,283.47
Loss for the year	-	-	-	(578.83)	(578.83)
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Other Comprehensive Income</b>					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	36.05	36.05
<b>As at March 31, 2021</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,302.01</b>	<b>2,740.69</b>
Profit for the year	-	-	-	32.95	32.95
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Other Comprehensive Income</b>					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	4.98	4.98
<b>As at March 31, 2022</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,339.94</b>	<b>2,778.62</b>

As per our Report of even date.

**For DMKH & Co.**Chartered Accountants  
ICAI FRN No. 116886W**For and on behalf of the Board****Anant Nyatee**Partner  
Membership No. 447848**Pradip Kumar Goenka**Chairman & Managing Director  
DIN No. 00516381**Tilak Pradip Goenka**Director  
DIN No. 00516464Date : May 27, 2022  
Mumbai**Jagdish Prasad Dave**  
Chief Financial Officer**Deepa Toshniwal**  
Company Secretary

## Consolidated Notes to Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

Kamadgiri Fashion Limited (KFL) ("the Company") is a public limited company, incorporated and domiciled in India which is mainly engaged in the business of manufacturing and job work in Textile Industry. The Company is listed on the Bombay Stock Exchange (BSE).

The registered office of the Company is located at A-403, "The Qube" M.V. Road, Marol, Andheri (East), Mumbai - 400 059.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 27, 2022.

#### 1.1 Significant Accounting Policies

##### i. Basis of Preparation of Financial Statements

The financial statements are prepared on historical cost except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### ii. Statement of Compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### iii. Current and Non-current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in Schedule III to the Act and IND-AS 1- Presentation of Financial Statements.

##### iv. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

#### 1.2 Summary of significant accounting policies

##### I. Foreign currency translation

###### (i) Functional and presentation currency

The company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis under the head other expenses.

Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

##### II. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if future economic benefit will flow to the entity and cost can be reliably measured.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

#### **Depreciation method, estimated useful lives and residual values**

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

<b>Particulars</b>	<b>Useful Life</b>
Buildings	30 Years
Plant and Equipments	7.5 Years to 15 Years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Computer	3 Years
Vehicles	8 Years

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### **III. Investment property**

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

The Company is following straight line method of depreciation in respect of residential flat. Depreciation on flat is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of flat is 60 years and estimated residual value is 5% which is as per schedule II to Companies Act, 2013.

The Company had leased out the property for 99 years of lease period and there is no intention to sale this property in future. Also, due to non-availability of recent price of similar property in active market, the fair value of the property will not be reliably determinable on the continuing basis and at the year end.

### **IV. Intangible assets and Amortisation**

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

#### **Amortisation method and estimated useful life**

Intangible assets comprising of software is amortized on a straight-line basis over the useful life of three years to six years which is estimated by the management.

#### **Intangible assets under development**

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

### **V. Capital Work In Progress**

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

### **VI. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable

amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## **VII. Leases:**

### **The Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the standard Ind AS 116, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

#### **VIII. Investment**

- Long term Investment are being valued at cost of acquisition.
- Short term investment are being valued at cost or market value whichever is lower.

#### **IX. Inventories**

- Raw Materials (Including goods in transit) are valued at cost. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO basis as applicable. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **X. Revenue recognition**

The Company derives revenue primarily from sale of manufactured goods, traded goods and related services.

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts. Goods and service Tax (GST) is collected by the seller on behalf of the government, accordingly it is excluded from the revenue.

##### **(i) Sale of goods**

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

##### **(ii) Sale of Services**

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

##### **(iii) Interest Income**

Interest income is recognized using the effective interest rate (EIR) method.

#### **XI. Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

##### **Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

##### **Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

##### **a) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**d) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**e) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**f) Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**g) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**h) Derecognition of financial liabilities**

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

**Equity investment in subsidiaries, joint ventures and associates**

The Company does not have investment in subsidiaries, joint ventures and associates.

**i) Offsetting of financial instruments**

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

**j) Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**k) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**l) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

**XII. Employee benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

Entitlements to annual leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave. Expenses related to other long term employee benefits is recognized in the Statement of Profit and loss (including actuarial gain and loss).

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post-employment obligations**

The Company operates the following post-employment schemes:

- a. defined benefit plans viz. gratuity,
- b. defined contribution plans viz. provident fund.

#### **Defined benefit plans**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service cost.

#### **Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **iv. Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

### **XIII. Income Tax (includes current tax as well as deferred tax)**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted or substantially enacted as on the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred tax is provided in full, using the Balance Sheet Approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **XIV. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements.

#### **XV. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### **XVI. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

#### **XVII. Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants relating to an expense item are recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### **XVIII. Earnings per share**

##### **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

##### **Diluted earnings per share**

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

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

#### **XIX. Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

#### **XX. Cash Flow Statement**

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

##### **Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets

and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non-current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

**a) Impairment of financial assets**

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**b) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating unit ('CGU') being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

**c) Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation/ amortisation expense in future periods.

**d) Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (xii) above.

**e) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) Claims, Provisions & Contingent Liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**g) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**XXI. Standard issued but not yet effective**

There are no standards that are issued but not yet effective on March 31, 2022

## 2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Electrical Installation	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
<b>Gross Carrying amount</b>									
As at April 1, 2020	49.91	740.24	3,362.11	220.96	142.87	62.12	67.47	37.97	4,683.65
Additions	-	34.96	216.29	6.75	9.57	6.46	1.89	-	275.92
Disposals	(2.23)	(44.55)	(160.58)	(22.68)	(1.70)	(0.04)	(0.12)	-	(231.90)
<b>Balance at March 31, 2021</b>	<b>47.68</b>	<b>730.65</b>	<b>3,417.82</b>	<b>205.03</b>	<b>150.74</b>	<b>68.54</b>	<b>69.24</b>	<b>37.97</b>	<b>4,727.67</b>
As at April 1, 2021	47.68	730.65	3,417.82	205.03	150.74	68.54	69.24	37.97	4,727.67
Additions	-	11.99	47.68	1.98	5.84	3.76	18.72	26.06	116.03
Disposals	-	-	(16.05)	(0.26)	(1.05)	(0.95)	(0.78)	-	(19.09)
<b>Balance at March 31, 2022</b>	<b>47.68</b>	<b>742.64</b>	<b>3,449.45</b>	<b>206.75</b>	<b>155.53</b>	<b>71.35</b>	<b>87.18</b>	<b>64.03</b>	<b>4,824.61</b>
<b>Accumulated Depreciation</b>									
As at April 1, 2020	-	83.20	1,358.04	43.02	58.83	32.76	40.15	9.59	1,625.59
Depreciation charge for the year	-	30.47	287.53	21.31	12.25	6.90	10.32	5.85	374.63
Disposals	-	(8.81)	(101.34)	(12.54)	(4.78)	(4.29)	(0.08)	-	(131.84)
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>104.86</b>	<b>1,544.23</b>	<b>51.79</b>	<b>66.30</b>	<b>35.37</b>	<b>50.39</b>	<b>15.44</b>	<b>1,868.38</b>
As at April 1, 2021	-	104.86	1,544.23	51.79	66.30	35.37	50.39	15.44	1,868.38
Depreciation charge for the year	-	34.17	249.06	20.07	12.45	6.55	13.61	7.01	342.93
Disposals	-	-	(6.99)	(0.15)	(0.70)	(0.90)	(0.74)	-	(9.49)
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>139.03</b>	<b>1,786.30</b>	<b>71.71</b>	<b>78.05</b>	<b>41.02</b>	<b>63.27</b>	<b>22.45</b>	<b>2,201.82</b>
<b>Net carrying amount</b>									
As at March 31, 2022	47.68	603.61	1,663.16	135.04	77.48	30.34	23.91	41.58	2,622.79
As at March 31, 2021	47.68	625.79	1,873.59	153.24	84.44	33.17	18.85	22.53	2,859.29

## 2. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount at the beginning of the year	-	-
Additions during the year	-	-
Capitalised during the year	-	-
<b>Carrying amount at the end of the year</b>	<b>-</b>	<b>-</b>

## 2. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Amount
<b>Software</b>	
<b>Gross Carrying amount</b>	
As at April 1, 2020	64.84
Additions	17.66
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>82.50</b>
Additions	23.20
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>105.70</b>

(₹ in Lakhs)

Particulars	Amount
<b>Accumulated Amortisation</b>	
<b>As at April 1, 2020</b>	<b>34.09</b>
Amortisation charge for the year	8.25
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>42.34</b>
Amortisation charge for the year	12.91
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>55.25</b>
<b>Net carrying amount</b>	
<b>As at March 31, 2022</b>	<b>50.45</b>
<b>As at March 31, 2021</b>	<b>40.16</b>

## 2.1. RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Amount
<b>Office Premises</b>	
<b>Gross Carrying amount</b>	
Balance as at April 1, 2021	1,242.63
Recognition on transition to Ind AS 116 (Refer Note 41)	-
Additions	145.04
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>1,387.67</b>
<b>Accumulated Amortisation</b>	
Balance as at April 01, 2021	566.52
Depreciation charge for the year	234.60
Disposals and Transfer	-
<b>Balance as at March 31, 2022</b>	<b>801.12</b>
<b>Net carrying amount</b>	
<b>Balance as at March 31, 2022</b>	<b>586.55</b>
<b>Balance as at March 31, 2021</b>	<b>676.11</b>

The company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application date, i.e. 1st April, 2019. The company has used the modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.

The operating leases recorded in the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

## 3. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit with others	197.42	171.00
Electricity deposits	40.21	40.21
Fixed Deposits with Bank	8.96	28.24
<b>TOTAL</b>	<b>246.59</b>	<b>239.45</b>

**4. DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	52.96	57.10
Provision for Compensated absences	26.62	25.15
Property, Plant and Equipment	(158.39)	(156.87)
Unabsorbed tax losses	287.71	287.71
Others	62.21	63.39
<b>TOTAL</b>	<b>271.11</b>	<b>276.48</b>

**5. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advance	31.43	9.50
Prepaid Expenses	0.71	0.59
<b>TOTAL</b>	<b>32.14</b>	<b>10.09</b>

**6. INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Charged by way of hypothecation against borrowings of the Company.)</b>		
Raw Materials and components	2,239.52	1,617.96
Work-in-progress	1,444.83	1,540.19
Finished goods	3,057.00	1,720.30
Stores, Spares and Others	139.13	156.06
<b>(Refer Note No. 1.2 Point No. VII)</b>		
<b>TOTAL</b>	<b>6,880.48</b>	<b>5,034.51</b>

**7. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Charged by way of hypothecation against borrowings of the Company.)</b>		
Unsecured, considered good	5,964.59	4,922.08
Credit impaired	13.78	21.42
<b>TOTAL</b>	<b>5,978.37</b>	<b>4,943.50</b>
Less: allowance for bad and doubtful debts receivables	(13.78)	(21.42)
<b>TOTAL</b>	<b>5,964.59</b>	<b>4,922.08</b>

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>						
(i) Undisputed Trade receivables – considered good	5,712.23	119.76	132.60	-	-	5,964.59
<b>As at 31 March 2021</b>						
(i) Undisputed Trade receivables – considered good	4,468.81	287.55	165.72	-	-	4,922.08

## 8. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
On Current Accounts	0.75	28.79
Cash on Hand	3.94	8.94
<b>TOTAL</b>	<b>4.69</b>	<b>37.73</b>

## 9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend account *	7.25	7.85
Balances with banks to the extent held as margin money	-	-
Fixed deposits with original maturity for more than 3 months but less than 12 months	-	5.04
<b>TOTAL</b>	<b>7.25</b>	<b>12.89</b>

\* Earmarked for payment of unclaimed dividend

## 10. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
Loans receivables considered good-Unsecured		
Advance to Staff	15.63	18.50
<b>TOTAL</b>	<b>15.63</b>	<b>18.50</b>

## 11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued But Not Due	6.76	6.40
Interest Subsidy & Interest Receivable	32.71	63.07
Security Deposits and Other Advances	5.08	7.14
<b>TOTAL</b>	<b>44.55</b>	<b>76.61</b>

## 12. CURRENT INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax [(Net of Advance tax of ₹ 1745.52 Lakhs (as at March 31st, 2021 ₹ 1714.59 Lakhs)]	63.19	55.35
<b>TOTAL</b>	<b>63.19</b>	<b>55.35</b>

## 13. INVESTMENT IN SHARES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments	18.76	-
Metawear Ltd .: 5,10,000 (Previous year Nil) Equity Shares of ₹ 10 each fully paid-up		
<b>TOTAL</b>	<b>18.76</b>	<b>-</b>

**14. OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance other than capital advances		
Prepaid Expenses	35.57	21.41
Balances with Government Authorities	637.48	394.51
Other Advances	59.37	57.84
<b>TOTAL</b>	<b>732.42</b>	<b>473.76</b>

**15. EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
<b>TOTAL</b>	<b>2,00,00,000</b>	<b>2,000</b>	<b>2,00,00,000</b>	<b>2,000</b>
<b>Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹ 10/- each	58,69,371	586.94	58,69,371	586.94
<b>TOTAL</b>	<b>58,69,371</b>	<b>586.94</b>	<b>58,69,371</b>	<b>586.94</b>

**(i) Reconciliation of Number of Equity Shares**

(₹ in Lakhs)

Particulars	Number of Shares	Amount
As at the beginning of the year	58,69,371	586.94
Add: issued During the Year	-	-
As at end of the year	58,69,371	586.94

**(ii) Terms/Rights Attached to Equity Shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Details of Shareholders holding more than 5 percent shares equity shares in the Company**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Ananddeep Cotsyn LLP	4,36,800	7.44	4,36,800	7.44
NU Business Venture Private Limited	14,66,755	24.99	-	-
Future Corporate Resources Pvt Ltd	1,78,634	3.04	16,45,389	28.03
Surplus Finvest Pvt Ltd	5,69,000	9.69	5,69,000	9.69
Tritoma Hotels Pvt. Ltd.	3,25,000	5.54	3,25,000	5.54
Pradip Kumar Goenka	6,49,200	11.06	6,49,200	11.06
Tilak Pradip Goenka	4,96,102	8.45	4,96,102	8.45

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY - NIL)

(iv) Details of Promoter & Promoters group holding equity shares in the Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Pradip Kumar Goenka	6,49,200	11.06	6,49,200	11.06
Tilak Pradip Goenka	4,96,102	8.45	4,96,102	8.45
Asha Devi Goenka	1,99,171	3.39	1,99,171	3.39
Lalit Kumar Goenka	1,457	0.02	1,457	0.02
Ananddeep Cotsyn LLP	4,36,800	7.44	4,36,800	7.44
Jagruti Synthetics Private Limited	31,600	0.54	31,600	0.54

16. OTHER EQUITY

(₹ in Lakhs)

Particulars	Other Equity				Total Other Equity
	Reserves and surplus				
	Securities premium reserve	Capital reserve	General reserve	Retained Earnings	
<b>As at April 1, 2020</b>	731.66	37.00	670.02	1,844.79	3,283.47
Loss for the year	-	-	-	(578.83)	(578.83)
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Other Comprehensive Income</b>					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	36.05	36.05
<b>As at March 31, 2021</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,302.01</b>	<b>2,740.69</b>
Profit for the year	-	-	-	32.95	32.95
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
<b>Other Comprehensive Income</b>					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	4.98	4.98
<b>As at March 31, 2022</b>	<b>731.66</b>	<b>37.00</b>	<b>670.02</b>	<b>1,339.94</b>	<b>2,778.62</b>

NON-CURRENT FINANCIAL LIABILITIES

17. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
(a) From Bank		
Term Loans ( Refer Note 17.1)	55.43	272.51
Covid Loans ( Refer Note 17.1a)	1,551.61	72.68
Vehicle Loans ( Refer Note 17.2)	23.85	-
<b>TOTAL</b>	<b>1,630.89</b>	<b>345.19</b>

17.1 Term Loan from bank amounting of ₹ 250 Lakhs sanctioned during the FY 2017-2018 and end on FY 2022-2023. The Same is repayable in 60 Monthly installments of ₹ 4.17 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Term Loan from bank amounting of ₹ 840 Lakhs sanctioned during the FY 2019-2020 and end on FY 2024-2025. The Same is repayable in 60 Monthly installments of ₹ 14.00 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

17.1a Covid Loan from bank amounting of ₹ 1035.23 Lakhs sanctioned during the FY 2021-2022 and end on FY 2026-2027. The Same is repayable in 60 Monthly installments of ₹ 21.57 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Covid Loan from bank amounting of ₹ 517.74 Lakhs sanctioned during the FY 2021-2022 and end on FY 2027-2028. The Same is repayable in 36 Monthly installments of ₹ 12.34 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

The rate of interest on the above mentioned Term Loans ranges between 7.40% p.a to 11.30% p.a.

17.2 Vehicle Loan taken from Bank of Baroda amounting of ₹ 23.85 Lakhs was carried interest @ 10.00% sanctioned during the FY 2021-2022 and end on FY 2026-2027. The loan is repayable in 59 instalments of ₹ 0.48 Lakh including the interest, from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.

## 18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits from Dealers & Agent	465.52	543.68
<b>TOTAL</b>	<b>465.52</b>	<b>543.68</b>

## 19. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity ( Refer Note 33)	224.10	232.87
Compensated Absence	91.90	81.21
<b>TOTAL</b>	<b>316.00</b>	<b>314.08</b>

## CURRENT LIABILITIES

### 20. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Loans repayable on demand (Refer Note 20.1)</b>		
<b>From Bank</b>		
Cash credit from bank	4,785.12	2,830.35
Working Capital Demand Loan	-	1,535.07
<b>TOTAL</b>	<b>4,785.12</b>	<b>4,365.42</b>

20.1 Cash credit from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 7.40% p.a to 11.30% p.a and the same is repayable on demand.

### 21. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 21.1 )	1,296.53	295.81
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,416.79	2,679.10
<b>TOTAL</b>	<b>4,713.32</b>	<b>2,974.91</b>

**21.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).**

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise	1,296.53	295.81
	Interest due on above	31.55	17.43
(ii)	Interest paid by the Company in terms of Section 16 of the MSMED Act, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	31.55	17.43

Dues to Micro and small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management.

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>						
(i) MSME	1,296.53	-	-	-	-	<b>1,296.53</b>
(ii) Others	3,331.58	55.17	25.03	5.01	-	<b>3,416.79</b>
<b>As at 31 March 2021</b>						
(i) MSME	295.81	-	-	-	-	<b>295.81</b>
(ii) Others	2,295.79	97.26	285.76	0.29	-	<b>2,679.10</b>

**22. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Maturities of long term borrowings	289.01	544.95
Unclaimed dividend	7.25	7.85
Capital Creditors	21.72	23.24
Employee Dues	327.53	292.71
Liabilities towards Incentive & discount	471.08	447.00
Others Liabilities	152.24	172.89
<b>TOTAL</b>	<b>1,268.83</b>	<b>1,488.64</b>

**23. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Revenue received in advance</b>		
Advance Received from Customers	54.25	521.01
Advance Received against Land & Building	100.00	-
Others		
Statutory Dues	84.21	69.69
<b>TOTAL</b>	<b>238.46</b>	<b>590.70</b>

**24. PROVISION**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity (Refer to Note No. 33)	12.37	20.05
Compensated Absence	13.88	18.75
<b>TOTAL</b>	<b>26.25</b>	<b>38.80</b>

**25. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products	25,001.12	12,710.49
Sales of services (Job charges Received)	513.62	856.43
Other operating revenues	217.63	424.19
<b>TOTAL</b>	<b>25,732.37</b>	<b>13,991.11</b>

(₹ in Lakhs)

Reconciliation of Gross Revenue with the Revenue from Contracts with Customers	Year Ended March 31, 2022	Year Ended March 31, 2021
Gross Revenue	25,732.37	14,362.02
Less: Incentive & Discounts	(451.07)	(370.91)
<b>Net Revenue recognised from Contracts with Customers</b>	<b>25,281.30</b>	<b>13,991.11</b>

**26. OTHER INCOME**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income on -		
Bank Deposits	0.84	0.68
Secutiry Deposits	8.36	10.19
Lease income	-	37.54
Other non operating income	1.12	27.88
Profit on Sale of Property, Plant and Equipments / Investment Properties	0.10	297.07
Reversal of Allowance of Doubtful Debts	7.64	3.75
<b>TOTAL</b>	<b>18.06</b>	<b>377.11</b>

**27. COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventory at the beginning of the year	1,674.06	1,227.07
Add: purchases	14,411.49	6,216.76
	<b>16,085.55</b>	<b>7,443.83</b>
Less : Inventory at the end of the year	2,239.52	1,674.06
<b>COST OF MATERIAL CONSUMED</b>	<b>13,846.03</b>	<b>5,769.77</b>

**28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Inventories</b>		
Finished goods	1,664.20	2,489.13
Work-in-Progress	1,540.19	1,661.88
<b>TOTAL</b>	<b>3,204.39</b>	<b>4,151.01</b>
<b>Closing Inventories</b>		
Finished goods	3,057.00	1,664.20
Work-in-Progress	1,444.83	1,540.19
<b>TOTAL</b>	<b>4,501.83</b>	<b>3,204.39</b>
<b>TOTAL</b>	<b>(1,297.44)</b>	<b>946.62</b>

**29. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	2,990.21	1,847.46
Contribution to Provident and Other Funds ( Refer Note 34.1)	340.99	245.67
Staff Welfare Expenses	42.87	22.29
<b>TOTAL</b>	<b>3,374.07</b>	<b>2,115.42</b>

**30. FINANCE COSTS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expenses	744.74	772.92
Other borrowing cost	48.37	37.82
<b>TOTAL</b>	<b>793.11</b>	<b>810.74</b>

**31. OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of stores, spare parts and others	288.24	162.27
Consumption of Packing Materials	302.80	127.98
Power and fuel	511.77	376.41
Job Work Charges	2,724.64	1,162.54
Repairs and Maintenances-Buildings.	7.09	3.79
Repairs and Maintenances-Machinery.	57.53	22.02
Repairs and Maintenances-Others.	116.54	92.95
Travelling and conveyance	96.89	66.83
Brokerage and commission	396.87	134.47
Advertisement and marketing expenses	379.41	211.98
Freight outward charges	290.83	152.54
CSR Expenses ( Refer Note 42)	-	8.80
Lease rent amortization	9.58	0.21
Legal and professional fees	127.50	124.68

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss on Sale of Property, Plant and Equipments	0.26	24.11
Insurance	47.15	57.10
Payment to the auditor (Refer note 32)	10.20	11.21
PPE Discarded	-	54.72
Miscellaneous expenses	103.75	113.76
<b>TOTAL</b>	<b>5,471.05</b>	<b>2,908.37</b>

**32. PAYMENT TO THE AUDITORS**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Audit Fees	6.00	6.00
(b) For Taxation matters	1.50	1.50
(c) Company Law matters	1.50	2.50
(d) Other services	1.00	1.00
(e) Reimbursement of expenses	0.20	0.21
<b>TOTAL</b>	<b>10.20</b>	<b>11.21</b>

**33. Disclosure in respect of Employee Benefits****(i) Defined contribution plans:**

The Company has recognized the following amounts in the statement of profit and loss:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Employers' contribution to provident fund	222.42	122.94

**Annual Leave Liabilities**

The Company records an obligation for compensated absences in the period in which the employee renders the services that increase his entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation carried out by using Projected Unit Credit (PUC). A provision of ₹ 12.31 lakhs (previous year ₹ 19.51 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

**(ii) Disclosure in respect of defined benefit plans (Gratuity) is as under**

The principal assumptions used for the purpose of actuarial valuation were as under:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Discount rate per annum	7.21%	6.79%
Expected rate of salary increase	3.50%	3.00%
Mortality rate	IALM (20012-14) ultimate, duly modified	IALM (20012-14) ultimate, duly modified

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Withdrawal rates:		
- Upto 30 years	3% to 5%	3% to 5%
- 31 to 44 years	2%	2%
- above 44 years	1%	1%
- Retirement age*	58 Years	58 Years

The Directors, CEO retirement age is 75

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	39.76	37.57
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
<b>Total Service Cost</b>	<b>39.76</b>	<b>37.57</b>
Interest Expense on DBO	14.98	17.44
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
<b>Total Net Interest Cost</b>	<b>14.98</b>	<b>17.44</b>
Reimbursement of Other Long Term Benefits	-	-
<b>Defined Benefit Cost included in P &amp; L</b>	<b>54.74</b>	<b>55.00</b>
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	2.12	0.85
Remeasurements - Due to Experience Adjustments	(8.78)	(49.02)
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
<b>Total Remeasurements in OCI</b>	<b>(6.66)</b>	<b>(48.17)</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>48.08</b>	<b>6.83</b>
<b>Discount Rate</b>	7.21%	6.79%
<b>Salary Escalation Rate</b>	3.50%	3.00%

The current service cost and the net interest expense for the year are included in the salaries,wages,bonus,gratuity etc. in note 29 "Employee Benefits expense". The actuarial(gain)/loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Net Defined Benefit Liability / (Asset) at the beginning</b>	<b>252.92</b>	<b>265.23</b>
Defined Benefit Cost included in P & L	54.74	55.00
Total Remeasurements included in OCI	(6.66)	(48.17)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(64.53)	(19.14)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
<b>Net Defined Benefit Liability / (Asset) at the end</b>	<b>236.47</b>	<b>252.92</b>

**(c) Movements in the fair value of plan assets are as follows:**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Employer contribution	64.53	19.14
Remeasurement gains/(losses):	-	-
- Return on plan assets (higher)/lower than discount rate	-	-
Benefits paid	(64.53)	(19.14)
Closing fair value of plan assets	-	-

**(d) Movements in the present value of defined benefit obligations are as follows:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening defined benefit obligation	252.92	265.22
Current service cost	39.76	37.57
Past service cost *	-	-
Interest cost	14.98	17.44
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	2.12	0.85
- Actuarial (gain)/loss from changes in demographic assumptions	-	-
- Actuarial (gain)/loss arising from experience adjustments	(8.78)	(49.02)
Benefits paid by employer	(64.53)	(19.14)
Benefits paid from plan assets	-	-
Closing defined benefit obligations	236.47	252.92

**(e) Sensitivity analysis****Summary of Financial & Demographic Assumptions**

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	DBO	Percentage Change
Under Base Scenario	236.47	0.00%
Salary Escalation - Up by 1%	265.98	12.50%
Salary Escalation - Down by 1%	211.36	(10.60)%
Withdrawal Rates - Up by 1%	246.96	4.40%
Withdrawal Rates - Down by 1%	224.25	(5.20)%
Discount Rates - Up by 1%	211.48	(10.60)%
Discount Rates - Down by 1%	266.26	12.60%

**(f) Maturity Profile of Defined Benefit Obligations**

Expected Cash flow for following years:

Year 1	12.37
Year 2	9.34
Year 3	12.81
Year 4	13.02
Year 5	12.70
Year 6	23.31
Year 7	16.14
Year 9	17.39
Year 10	16.35

The weighted average duration of the defined benefit obligation is 17.72

(g) The average expected future working life of members of the defined benefit obligation as at March 31, 2022 is 21.00 years (as at March 31, 2021: 21.00 years)

(h) **Best Estimate of Contribution during the next year**

The Best Estimate Contribution for the Company during the next year would be ₹ 118.24 Lakhs

1) **The Company has a defined benefit gratuity plan in India. The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as company's scheme for Gratuity.**

2) **Gratuity is a defined benefit plan and company is exposed to the following risks:**

**Interest Risk** Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

**Salary Risk** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability

**Investment Risk** The present value of defined benefit plan liability calculated using a discount rate which is determined by reference to market yields as at the end of the reporting period on government bonds. If the return on plant assets is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Assets Liability Matching Risk** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**Mortality Risk** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

### 34. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lakhs)	32.95	(578.83)
(ii) Weighted Average Number of equity shares used as denominator for calculation of EPS	58,69,371	58,69,371
Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	58,69,371	58,69,371
(iii) Basic Earning per share	0.56	(9.86)
(iv) Diluted Earning per share	0.56	(9.86)
(v) Face value per equity share	10.00	10.00

### 35. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debt	952.02	1,045.96
b) Guarantees	35.90	35.90
c) Bonus Payable (As Per Revised Bonus Act)	23.64	23.64
	<b>1,011.56</b>	<b>1,105.50</b>
<b>Commitments</b>		
a) Other commitments - pending obligation under EPCG scheme	36.49	36.49
	<b>36.49</b>	<b>36.49</b>
<b>TOTAL</b>	<b>1,048.05</b>	<b>1,141.99</b>

**36. Disclosure in respect of Related Party Disclosures as per Ind AS 24**

As Per Indian Accounting Standard (Ind AS 24), the disclosures of the transactions with the related parties as defined in the Accounting Standard are given below

**(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:**

List of Related Parties		Relationship
1	Future Corporate Resources Pvt Limited	Enterprises having significant influence in the Company
2	Jagruti Synthetics Limited	Other Related Parties(Enterprises-KMP having significant influence/Owned by Major Shareholders)
3	Metawear Limited	Associated Concern
4	Mr. Pradip Kumar Goenka (Chairman & Managing Director)	Key Management Personnel (KMP)
5	Mr. Tilak Pradip Goenka (Executive Director)	
6	Mr. Abhay Kumat (CEO)	
7	Mr. Sanjeev Maheshwari (Non-Executive Director)*	
8	Mr. Rahul Mehta (Non-Executive Director)	
9	Mr. Anil Biyani (Non-Executive Director)	
10	Mrs. Bindu Shah (Non-Executive Director)	
11	Mr. Abhas Kumat	Relatives of the Key Management Personnel (KMP)
12	Mrs. Jyoti Kumat	

\* cession September 07, 2021

**(ii) Related Party Transactions**

(₹ in Lakhs)

Particulars	Transaction during the year		Outstanding Balance 31st March 2022		Outstanding Balance 31st March 2021	
	March 31, 2022	March 31, 2021	Receivable	Payable	Receivable	Payable
<b>a) Sales of Products</b>						
Jagruti Synthetics Limited	8.94	77.96	-	-	-	2.00
<b>b) Purchase of Goods</b>						
Jagruti Synthetics Limited	489.30	304.39	-	-	-	61.64
<b>c) Job Charges Paid / Receipt</b>						
Jagruti Synthetics Limited	362.47	245.05	-	-	-	30.52
<b>d) Rent Expenses</b>						
Jagruti Synthetics Limited	75.60	75.60	-	-	-	6.30
Mrs. Jyoti Kumat	5.64	5.64	-	-	-	0.28
<b>e) Managerial Remuneration</b>						
Mr. Pradip Kumar Goenka	45.00	20.17	-	-	-	2.25
Mr. Tilak Goenka	47.92	17.70	-	-	-	3.45
<b>f) Salary</b>						
Mr. Abhay Kumat	80.12	35.06	-	-	-	3.86
Mr. Abhas Kumat	29.44	7.84	-	-	-	1.28
<b>g) Sales of Products</b>						
Metawear Limited	149.86	-	-	-	-	-
<b>h) Purchase of Products</b>						
Metawear Limited	0.72	-	-	-	-	-
<b>i) Loan</b>						
Metawear Limited	20.00	-	-	-	-	-

**(iii) Directors Sitting Fees**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2022
Mr. Sanjeev Maheshwari	0.42	1.01
Mr. Rahul Mehta	0.82	1.05
Mr. Anil Biyani	0.52	0.43
Mrs. Bindu Shah	1.06	1.05
Mr. Sunil Agrawal	0.60	-
<b>Total</b>	<b>3.42</b>	<b>3.54</b>

**37. Disclosure in respect of Operating Segments as per Ind AS 108**

The company is engaged in manufacturing (in house and outsourced) fabrics, ready to wear garments, considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e. Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under Indian Accounting Standards (Ins AS 108) - Operating Segments.

**38. Disclosure in respect of operating leases as per Ind AS 116 'Leases'**

**This note provides the information for lease and right to use where the company is a lessee.**

Following are the changes in the carrying value of right of use assets:

(₹ in Lakhs)

As at April 01, 2021	Office Premises	Total
<b>Gross carrying amount</b>		
Opening gross carrying amount	1,242.63	1,242.63
Additions	145.04	145.04
Disposals and transfers		-
<b>Closing gross carrying amount</b>	<b>1,387.67</b>	<b>1,387.67</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	566.52	566.52
Depreciation charged	234.60	234.60
Disposals and transfers		-
<b>Closing accumulated depreciation</b>	<b>801.12</b>	<b>801.12</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>586.55</b>	<b>586.55</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the statement of profit and loss. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 11.00%

Following are the changes in the carrying value of Lease Liability:

(₹ in Lakhs)

Particulars	As at 31 March 2022
<b>Balance as at beginning</b>	767.48
Additions	179.93
Finance cost accrued during the year	-
Deletions	(216.17)
Payment of lease liabilities	
<b>Balance as at end</b>	<b>731.24</b>
<b>Non- Current</b>	<b>500.86</b>
<b>Current</b>	<b>230.38</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March 2022
Less than one year	230.38
One to five years	500.86
More than five years	-
<b>TOTAL</b>	<b>731.24</b>

Rental expense recorded for short-term leases was ₹ 299.41 Lakhs and ₹ 274.42 Lakhs for the year ended March 31, 2022 and March 31, 2021 respectively. There are no rental expense recorded for low-value assets or for any of variable lease payments for any of the reporting year.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### 39. FAIR VALUE MEASUREMENTS

#### i. Categorywise classification of Financial Instruments

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2022	March 31, 2021
<b>FINANCIAL ASSETS</b>		
<b>Amortised cost</b>		
<b>Other Non Current Financial Assets</b>	246.59	239.45
<b>Current</b>		
Trade Receivables	5,964.59	4,922.08
Cash and Cash Equivalents	4.69	37.73
Bank Balances other than above	7.25	12.89
Loans	15.63	18.50
Other Financial Assets	44.55	76.61
<b>Total</b>	<b>6,283.30</b>	<b>5,307.26</b>

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2022	March 31, 2021
<b>FINANCIAL LIABILITIES</b>		
<b>Amortised cost</b>		
<b>Non Current</b>		
Borrowings	1,630.89	345.19
Lease Liability	500.86	580.32
Other Financial Liabilities	465.52	543.68
<b>Current</b>		
Borrowings	4,785.12	4,365.42
Lease Liability	230.38	187.15
Trade Payables	4,713.32	2,974.91
Other financial liabilities	1,268.83	1,488.64
<b>Total</b>	<b>13,594.92</b>	<b>10,485.31</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

### iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

### iv. Valuation processes

The accounts and finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting requirements.

## 40. INCOME TAX EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Income tax Expenses	26.07	-
(b) Deferred tax	3.69	(221.31)
<b>Total Tax Expenses</b>	<b>29.76</b>	<b>(221.31)</b>

### (b) Reconciliation of tax Expenses and Accounting Profits

(₹ in Lakhs)

Particulars	For year Ended March 31, 2022	For year Ended March 31, 2021
Profit / (Loss) for the year	94.95	(800.14)
Tax Rates	25.168%	25.168%
Income tax expense calculated	23.90	(201.38)
(ii) Impact of adoption of new Tax regime U/s 115 BAA on Deferred Tax Liabilities	-	-
(iii) Tax adjustment for earlier year	-	-
(iv) Others	2.17	(19.93)
<b>Income Tax Expense</b>	<b>26.07</b>	<b>(221.31)</b>

**(c) Deferred Tax Movements**

Major Components of Deferred tax Movements arising on account of timing difference are as follows

(₹ in Lakhs)

Particulars	Provision for gratuity	Provision for Compensated absences	Property, Plant and Equipment	Unabsorbed tax losses	Others	Total
<b>As at March 31, 2020</b>	<b>60.30</b>	<b>22.70</b>	<b>(179.76)</b>	<b>100.98</b>	<b>63.08</b>	<b>67.30</b>
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	(3.20)	2.45	22.89	186.73	0.31	209.18
Other comprehensive income	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>57.10</b>	<b>25.15</b>	<b>(156.87)</b>	<b>287.71</b>	<b>63.39</b>	<b>276.48</b>
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	4.14	(1.47)	1.52	-	2.85	7.04
Other comprehensive income	-	-	-	-	(1.67)	(1.67)
<b>As at March 31, 2022</b>	<b>52.96</b>	<b>26.62</b>	<b>(158.39)</b>	<b>287.71</b>	<b>62.21</b>	<b>271.11</b>

**41. Financial Risk Management****Risk Management Framework**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

**41.1 Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

**41.1.1 Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

**Sensitivity**

Variable interest rate loans are exposed to Interest rate risk, the impact on profit or loss before tax may be as follows:

(₹ in Lakhs)

Particulars	Impact on Profit before tax	
	As at March 31, 2022	As at March 31, 2021
Interest rate - increase by 100 basis points (100 bps)*	(67.05)	(52.56)
Interest rate - decrease by 100 basis points (100 bps)*	67.05	52.56

\* Holding all other variable constant

**41.1.2 Foreign Currency Risk**

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies. Foreign Currency Risk is risk that fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company entered into forward exchange contract average maturity of 90-180 days to hedge against its foreign currency exposures relating to underlying liabilities firm commitments. The Company has not entered into any Derivatives instruments for trading and speculative purposes.

There is no foreign currency exposure during the year (P.Y. NIL).

## 41.2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 5964.59 lakhs and ₹ 4922.08 lakhs as of March 31, 2022 and March 31, 2021 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The average credit period on sale of goods is 90 to 180 days.

### Trade Receivables

#### a) Ageing

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
0-180 days	5,712.23	4,468.81
More than 180 days	252.36	453.27
<b>Total</b>	<b>5,964.59</b>	<b>4,922.08</b>

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

(₹ in Lakhs)

Movement in expected credit loss allowance on trade receivables	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	21.42	27.33
Less:- Provision reversed	(7.64)	(5.91)
Balance at the end of the year	13.78	21.42

## 41.3 Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31st March 2022, The Company had a working capital of ₹ 2438.25 Lakhs including cash and cash equivalent of ₹ 4.69 Lakhs. As of 31st March 2021, The Company had a working capital of ₹ 930.46 Lakhs including cash and cash equivalent of ₹ 37.73 Lakhs.

### 41.3.1 Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities. The amount disclosed in the tables are contractual undiscovered cash flow.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 Year to 5 Year	Over 5 Year	Total
<b>As 31 March 2022</b>				
Borrowings	5,074.13	1,630.89	-	6,705.02
Lease Liability	230.38	500.86	-	731.24
Trade Payables	4,713.32	-	-	4,713.32
Other Financial Liabilities	979.82	465.52	-	1,445.34
<b>As 31 March 2021</b>				
Borrowings	4,910.37	345.19	-	5,255.56
Lease Liability	187.15	580.32	-	767.47
Trade Payables	2,974.91	-	-	2,974.91
Other Financial Liabilities	943.69	543.68	-	1,487.37

#### 41.4 Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debts (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer (“CFO”) reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital.

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Total borrowings	6,705.02	5,255.56
Less : Cash and cash equivalents	(4.69)	(37.73)
<b>Adjusted net debt</b>	<b>6,700.33</b>	<b>5,217.83</b>
Total equity	3,327.60	3,870.39
<b>Adjusted equity</b>	<b>3,327.60</b>	<b>3,870.39</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>2.01</b>	<b>1.35</b>

#### 42. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Gross Amount required to be spent by the Company during the year	-	8.80
b) Amount spent during the year	-	8.80

#### 43. RATIO ANALYSIS

Sr No.	Ratio	Formula	As at March 31, 2022	As at March 31, 2021	% Changes	Reason for variance
			Ratio			
1	Current Ratio	Current Assets / Current Liabilities	1.22	1.10	10.95%	Refer Note (a)
2	Debt Equity Ratio	Long term debt / Equity Shareholder's Fund	2.78	0.59	372.46%	Refer Note (b)
3	Debt Service Coverage Ratio	Net Operating Income / Total Debt Services	0.01	(0.15)	(109.30)%	
4	Return on Equity Ratio	Net Income / Shareholder's Equity	0.12	(0.92)	(112.93)%	
5	Inventory turnover ratio	Cost of goods sold / Average inventory	2.38	1.13	111.82%	
6	Trade Receivables turnover ratio	Net Annual Credit Sales / Average Accounts Receivables	4.69	2.84	65.09%	
7	Trade payables turnover ratio	Net Annual Credit Purchases / Average Accounts Payable	3.75	2.06	81.79%	
8	Net capital turnover ratio	Net Annual Sales / Shareholder's Equity	1.13	0.60	88.07%	
9	Net profit ratio	Net Profit' / Revenue	0.27%	(3.78)%	(107.21)%	
10	Return on Capital employed	EBIT / Capital Employed*	0.36	0.01	3097.10%	
11	Return on investment	1) Net Return on Investment / Cost of Investment ×100%	-	-	-	

**Notes :**

- a. Increase in Current Assets as well as Current Liabilities were in accordance with the increase in level of activities.
- b. During the previous year, on account of covid outbreak and various government restrictions, operations of the Company were impacted significantly. During the year, the situation has improved and accordingly, cashflows and profitability of company has also improved as compared to previous year. Accordingly, all ratios related to cash flows, revenue and profitability of the Company has been improved as compared to previous year.
44. Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figure

**45. INTEREST IN ASSOCIATES**

The Company has a 51% interest in another company Metawear Limited, incorporated on 25 November 2021 and involved in the manufacturing, marketing, supplying, selling & distribution of the MMCF knit product. Even after holding 51% equity share capital of Metawear Limited, such interest is treated as an associates company instead of subsidiary company in the consolidated financial statements and is accounted for using the equity method as the company doesn't exercises control over Metawear Limited in terms of para 6 and 7 of Ind AS 110 – Consolidated Financial Statements. Summarised financial information of the associate, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment is considered in consolidated financial statements.

**As per our Report of even date.****For DMKH & Co.**

Chartered Accountants  
ICAI FRN No. 116886W

**For and on behalf of the Board****Anant Nyatee**

Partner  
Membership No. 447848

Date : May 27, 2022  
Mumbai

**Pradip Kumar Goenka**

Chairman & Managing Director  
DIN No. 00516381

**Jagdish Prasad Dave**

Chief Financial Officer

**Tilak Pradip Goenka**

Director  
DIN No. 00516464

**Deepa Toshniwal**

Company Secretary

# KFL TRUE LINEN

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## **Kamadgiri Fashion Limited**

Registered Office:

C.T.S. No. 620 & 638, Ground Floor,  
Advance House, Plot\_ A, ARK Industrial  
Estate Compound, Makwana Road, Marol Naka,  
Andheri (East) Mumbai 400059

Tel: (+91 22) 6943 3000

Website: [www.kflindia.com](http://www.kflindia.com)



# KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

**Registered Office:** C.T.S. No. 620 & 638, Ground Floor. Advance House,  
Plot\_ A, ARK Industrial Estate Compound, Makwana Road , Marol, Naka, Andheri ( East) Mumbai 400059

**Tel. No.:** (+91 22) 6943 3000

**Website:** [www.kflindia.com](http://www.kflindia.com) | **E-mail:** [cs@kflindia.com](mailto:cs@kflindia.com)

## **NOTICE**

**NOTICE** is hereby given that the 35th (Thirty Fifth) Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Saturday, September 24, 2022 at 10:00 am through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following business:

### **Ordinary Business**

1. To receive, consider and adopt the Audited standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Biyani (DIN: 00005834) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

#### **3. Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2023**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (**‘the Act’**) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending March 31, 2023 on a remuneration of Rs. 0.90 Lakh excluding applicable taxes thereon and other out of pocket expenses, be and is hereby ratified.

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

#### **4. Appointment of Mr. Amit Somani as an Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152, 150 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015 , Mr. Amit Somani who was appointment as an Additional Director and also as an Independent Director of the Company by the Board of the director w.e.f. 10/08/2022 pursuant to Section 161(1) of the Act and as recommended by the Nomination & Remuneration Committee and in respect of whom the Company has received a declaration that he is met the criteria for Independence as provided in Sec 149 (6) of the Act , be and is hereby appointed as an Independent Non Executive Director of the Company to hold office for a term of 5 consecutive years with effect from 10<sup>th</sup> August , 2022.”

**“RESOLVED FURTHER THAT** any of the Directors for the time being be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

**By Order of the Board  
For Kamadgiri Fashion Limited**

**Deepa Toshniwal  
Company Secretary**

## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular nos. 14/2020 and 17/2020 dated 08th April, 2020, and 13th April, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19" and circular nos. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022, dated 05th May, 2020, 13th January, 2021, 08th December, 2021, 14th December, 2021 and 05th May, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through Video on conferencing (VC) or Other Audio-Visual Means (OAVM)-reg." (collectively referred to as 'MCA Circulars') permitted the Companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31st December, 2022 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for year 2022 and considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" ('SEBI Circular') provided relaxation up to 31st December, 2022, from Regulation 36(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ('Act') to the shareholders who have not registered their email addresses. In compliance with the MCA Circulars and SEBI Circular, the AGM of the members of the Company is being held through VC / OAVM.
2. normally- pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. since this AGM is being held pursuant to MCA circulars and SEBI circular through VC / OAVM, physical attendance of members has been dispensed with. accordingly, the facility for the appointment of proxies by the members will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to the notice
3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the ICSI read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 issued by the ICSI, the proceedings of the AGM through VC / OAVM shall be deemed to be conducted at the Registered Office of the Company at Advance House Plot A, Makwana Road Arc Industrial Compound, Marol Naka, Andheri (E) Mumbai 400059
4. In compliance with the aforesaid MCA circulars and SEBI circular Notice of the AGM along with Annual Report 2021-22 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 the Annual Report 2021-22 will also be available on the Company's website i.e. <https://www.kflindia.com/>, websites of the stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) .and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
5. The Explanatory Statement pursuant to Section 102(1) of the Act in respect of item nos. 3 & 4 of the Notice set out above, is hereto annexed.
6. Members are requested to send all their documents and communications pertaining to shares to **Link Intime India Private Limited ('LIIPL'), Share Transfer Agent of the Company** at their address at C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 (Maharashtra) Telephone No. 022 - 4918 6000, Fax No. 022 - 4918 6060 for both physical and demat segments of Equity Shares. Please quote on all such correspondence: "Unit – Kamadgiri Fashion Limited." **For Shareholders queries** : Telephone No. : 022 – 4918 6270 Email ID : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
7. The Register of Members and Transfer Books of the Company in respect of the Equity Shares of the Company will remain closed from Sunday, the 18th September, 2022, to Saturday, the 24th September, 2022, both days inclusive.
8. Pursuant to the provisions of Sections 124 and 125 of the Act, the dividends for the financial year ended 31st March, 2015 and thereafter, which remain unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government. Members, who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2015 or any subsequent financial year(s) are requested to claim such amount from the Secretarial Department of the Company or from Share Transfer Agent. The due date for transfer of the unclaimed dividend amount for the financial year ended 31st March, 2015 to IEPF of the Central Government is 31st October 2022.
9. Pursuant to Rule 5(8) of Investor Education and Protection Fund Authority (Accounts, Audit, Transfer and Refund) Rules, 2016, ('IEPF Rules') the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 27th September, 2021 (the date of the last Annual General Meeting) on the website of the Company [www.kflindia.com/](http://www.kflindia.com/) and also on the website of the Ministry of Corporate Affairs.
10. SEBI has mandated the submission of PAN, KYC and nomination details by Members holding shares in physical form by 31st March, 2023, and linking PAN with Aadhaar by 31st March, 2022 vide its circulars dated 03rd November, 2021 and 14th December, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to LIIPL. The forms for updating the same are

available at <https://www.linkintime.co.in> and on Company's website ie. [www.kflindia.com/](http://www.kflindia.com/) Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the Share Transfer Agent / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. SEBI has made it mandatory for all companies to use the bank account details furnished by the Shareholders / Depositories for depositing of dividends.
12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ('DP') in case the shares are held by them in electronic form and with LIPL in case the shares are held by them in physical form.
14. As per Regulation 40 of SEBI Listing Regulations, as amended, any requests for transfer, transmission or transposition of securities of the Companies shall be effected only in dematerialized form. To eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Share Transfer Agent for assistance in this regard.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code etc., to their DPs in case the shares are held by them in electronic form and to LIPL in case the shares are held by them in physical form.
16. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. Members seeking any information about the financial statements or any matter to be placed at the AGM are requested to write to the Company on or before Tuesday, the 20th September, 2022, through e-mail on [cs@kflindia.com](mailto:cs@kflindia.com). The same will be replied by the Company suitably.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide to the members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM, by electronic means and the business may be transacted through e-voting Services. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ('remote e-voting') as well as e-voting on the date of AGM will be provided by NSDL.
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Wednesday, the 21<sup>st</sup> September, 2022 (09:00 a.m. IST) and ends on Friday, the 23<sup>rd</sup> September, 2022 (05:00 pm IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, the 17th September, 2022, 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. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions by remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- IV. The facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for members on first-cum-first served basis and members can join by following the procedure mentioned in the Notice.
- V. **How do I vote electronically using NSDL e-voting system?**

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

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

*Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider ie. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (ie. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider ie. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

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

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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.nsl.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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.nsl.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.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (ie. 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 < "Hemant Shetye" <[hs@hsassociates.net](mailto:hs@hsassociates.net)>> 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 1020 990 and 1800 224 430 or send a request to Mr. Pejas Chaturvadi, Senior Manager - NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR( self attested scanned copy of Aadhar Card) by email to (rnt.helpdesk@linkintime.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (rnt.helpdesk@linkintime.co.in).. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/ AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. 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.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at cs@kflindia.com from Wednesday, 14th September, 2022 (09:00 a.m. IST) to Monday, 19th September, 2022 (05:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  6. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-1020-990 / 1800-224-430 or contact Mr. Pejas Chaturvadi, Senior Manager - NSDL.
- VI. 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).**
- VII. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Saturday, the 17th September, 2022.
- VIII. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e Friday, the 26th August, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting the vote. If you forgot your password, you

can reset your password by using “Forgot User Details / Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 224 430. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Saturday, the 17th September, 2022 may follow steps mentioned below under “Access to NSDL e-Voting system”.

- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e Saturday, the 17th September, 2022, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through VC / OAVM.
- X. Mr. Hemant Shetye, Practicing Company Secretary (Membership No.: FCS 2827) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

**OTHER INSTRUCTIONS:**

- XI. The Chairman of the meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the scrutinizer, by use of “e-voting” for all those members who attend / participate in the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of the voting at the general meeting, first count the votes cast at the meeting 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 48 hours 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 of the meeting or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.kflindia.com/](http://www.kflindia.com/) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of the result, by the Chairman of the meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges viz. BSE Limited and displayed on the Notice Board of the Company at the Registered office at Advance House Plot A, Makwana Road Arc Industrial Compound, Marol Naka, Andheri (E) Mumbai 400059

**By Order of the Board  
For Kamadgiri Fashion Limited**

**Place : Mumbai  
Dated: August 10, 2022**

**Deepa Toshniwal  
Company Secretary**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No. 3**

**Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2023**

The Board on the recommendation of the Audit Committee has approved the appointment of Ms. Ketki D. Visariya, Cost Accountant, Mumbai as Cost Auditor for the financial year ending March 31, 2023 at a remuneration of Rs. 0.90 lakh excluding applicable taxes thereon and other out of pocket expenses.

Pursuant to provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, the consent of the shareholders is sought for passing a resolution as set out at Item no 3 for ratification of appointment and payment of remuneration payable to the Cost Auditor.

No Director and Key Managerial Personnel of the Company nor their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item no. 3 for the approval by the shareholders of the Company.

**Item No. 4**

**Mr. Amit Somani** (DIN:06901790), on the recommendation of the Nomination & Remuneration Committee was appointed as an additional Director in the capacity of a Non Executive Independent Director with effect from 10/08/2022 by the Board of director in accordance with Sec. 149(6), 161 and schedule iv of the Company Act, 2013 ("the act") **As per Sec. 161 of the Act**, the Company has received requisite notice in writing U/S 160 of the Act from a member proposing the candidature of Mr. Amit Somani to be appointed as an Independent Non Executive Director at the ensuing AGM.

**Mr. Amit Somani** has consented to the proposed appointment and declare qualified. Mr. Amit Somani possesses requisite knowledge, experience and skill for the position of Independent director as per required criteria under the Act and rules & regulations made thereunder.

Based on the recommendation received from the Nomination & Remuneration Committee and in view of his knowledge/skill and invaluable expertise related to Company, it is proposed to appoint Mr. Amit Somani as a Non Executive Independent Director of the Company in term of Sec. 149 read with sec 152 of the Company ACT 2013. Mr. Amit Somani is not liable to retire by rotation. Mr. Amit Somani If appointed will hold office for a consecutive terms of 5 years commencing from 10/8/2022.

The terms and condition of appointment of Mr. Amit Somani as a Non Executive Independent Director is available for inspection by member at the registered office of the Company on any working day during working hours between 9.30 am to 6.30 pm.

Except Mr. Amit Somani, no other Director, Key Managerial personnel of the Company and their relative thereof are interested or concerned financial or otherwise in the proposed resolution.

The Board recommends the resolution set out at Item no. 4 for the approval by the shareholders of the Company.

**By order of the Board  
For Kamadgiri Fashion Limited**

**Mumbai  
August 10, 2022**

**Deepa Toshniwal  
Company Secretary**

**Registered Office  
C.T.S. No. 620 & 638, Ground Floor,  
Advance House Plot A, Makwana Road,  
Arc Industrial Compound, Marol Naka,  
Andheri (E), Mumbai 400059**

## ANNEXURE TO THE NOTICE

**Additional Details of Directors seeking re-appointment at the 35th Annual General Meeting** [Pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings)] are as follows:

<b>Name of Director</b>	<b>Mr. Anil Biyani</b>
<b>Age</b>	60 years
<b>Nationality</b>	Indian
<b>Date of first appointment</b>	May 29, 2012
<b>Qualification</b>	M.Com in Business Administration
Director Identification Number (DIN)	00005834
<b>Expertise in specific functional areas</b>	Having good knowledge of Yarn & Fabric helps in successfully forecast trends for the next season Creates production & marketing plan of the brand.
<b>Other Directorships</b>	Six Companies
<b>Terms and conditions of appointment</b>	The appointments are governed under the provisions of the Companies Act, 2013 and offices are liable to retire by rotation
<b>Committee Membership / Chairmanship Committee in other companies</b>	1
<b>Any relationships between directors inter-se</b>	None
<b>Last Remuneration Paid (2021- 22)</b>	0.52
<b>Shareholding (no. of equity shares)</b>	Nil
<b>Number of Meetings of the Board attended during the year 2021-22</b>	5

@ Committee positions only of Audit Committee and Stakeholders Relationship Committee in public companies have been considered.\* Under the Companies Act, 2013.

## ANNEXURE TO THE NOTICE

**Additional Details of Directors seeking appointment at the 35th Annual General Meeting** [Pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings)] are as follows:

<b>Name of Director</b>	<b>Mr. Amit Somani</b>
<b>Age</b>	34 years
<b>Nationality</b>	Indian
<b>Date of appointment</b>	August 10, 2022
<b>Qualification</b>	Chartered Accountant
Director Identification Number (DIN)	06901790
<b>Expertise in specific functional areas</b>	Having good knowledge of Finance, Accounting, Taxation
<b>Other Directorships</b>	None
<b>Terms and conditions of appointment</b>	The appointments are governed under the provisions of the Companies Act, 2013
<b>Committee Membership / Chairmanship Committee in other companies</b>	None
<b>Any relationships between directors inter-se</b>	None
<b>Last Remuneration Paid (2021- 22)</b>	NA
<b>Shareholding (no. of equity shares)</b>	Nil
<b>Number of Meetings of the Board attended during the year 2021-22</b>	NA

@ Committee positions only of Audit Committee and Stakeholders Relationship Committee in public companies have been considered.\* Under the Companies Act, 2013.