

6<sup>th</sup> September, 2023

National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East Mumbai - 400051 <b>Scrip Code : ZODIACLOTH</b>	BSE Limited, Corporate Relationship Department, First Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Mumbai - 400001 <b>Scrip Code: 521163</b>
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Dear Sir/ Madam,

**Sub: Annual Report for the financial year 2022-23 and Notice of 39<sup>th</sup> Annual General Meeting.**

In continuation to outcome dated 14<sup>th</sup> August, 2023 and pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2022-23 including the Notice of Thirty-Ninth Annual General Meeting ("39<sup>th</sup> AGM") of the Company to be held on **Friday, 29<sup>th</sup> September, 2023 at 3:00 p.m.** through Video Conference facility ('VC')/ Other Audio Visual Means ('OAVM') without physical presence of the members at a common venue, in compliance with the provisions of the Companies Act, 2013 ('the Act'), read with the applicable circulars as issued by "Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI"), in relation to the subject matter.

The same is also available on the website of the Company, viz. [www.zodiaconline.com](http://www.zodiaconline.com).

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,  
**For Zodiac Clothing Company Limited**

**Kumar Iyer**  
**Company Secretary**  
**Membership No.: A9600**

Encl: As above

# ZODIAC CLOTHING COMPANY LIMITED

CIN: L17100MH1984PLC033143

Registered Office: Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai -400 030.

Tel: 66677000 Fax: 66677279 Website: www.zodiaconline.com email id: contactus@zodiacmtc.com

## NOTICE OF 39<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of Zodiac Clothing Company Limited will be held on Friday, 29<sup>th</sup> September, 2023 at 3.00 p.m. (IST), through video conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) facility to transact the following Business.

The proceedings of the 39<sup>th</sup> Annual General Meeting (“AGM”) shall be deemed to be conducted at the Registered Office of the Company at Nyloc House, 254, D2, Dr. Annie Besant Road, Mumbai – 400030.

### A. ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2023 and the reports of the Board and the Auditors thereon.
- 2) To appoint a Director in place of Mr. S. Y. Noorani (DIN: 00068423), who retires by rotation and being eligible, offers himself for re-appointment.

### B. SPECIAL BUSINESS:

- 3) **To approve material related party transaction limits with Zodiac Metropolitan Clothing GMBH**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014, as applicable including any statutory modifications or amendments or re-enactments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include the Audit Committee or any other Committee thereof for the time

being exercising the powers conferred by this Resolutions) to enter into agreement(s) / contract(s) / arrangement(s) / transaction(s) with Zodiac Metropolitan Clothing GMBH, a Related Party as defined under the Companies Act, 2013 and Listing Regulations, the value of which either singly or all taken together may exceed 10 (ten) percent of annual consolidated turnover as per audited financial statements of the Company, during the current financial year 2023-24, relating to sale, supply of any goods or services, payment of commission, or any other transaction/s, for an amount not exceeding in the aggregate of Rs. 25 crores (Rupees Twenty five crores only), on such terms and conditions as may be mutually agreed between the Company and Zodiac Metropolitan Clothing GMBH.

**RESOLVED FURTHER THAT** the Board or person(s) as may be authorized by the Board be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and to approve aforesaid agreement(s) / contract(s) / arrangement(s) / transaction(s) and further to do all such acts, deeds, matters and things and finalise the terms and conditions and to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its/ their absolute discretion pursuant to the above Resolution as may be considered necessary or incidental thereto.”

By Order of the Board of Directors  
For Zodiac Clothing Company Limited

KUMAR IYER  
G. M. Legal & Company Secretary  
Membership No. – A9600

Date: 14<sup>th</sup> August, 2023  
Place: Mumbai

**Registered Office:**  
Nyloc House, 254, D-2,  
Dr. Annie Besant Road, Worli,  
Mumbai 400 030

### NOTES:

1. The Ministry of Corporate Affairs (MCA), has vide its General Circular nos. 14/2020 dated 08<sup>th</sup> April, 2020 and 17/2020 dated 13<sup>th</sup> April, 2020 in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, and General Circular Nos. 20/2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated 28<sup>th</sup> December, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the Companies whose AGMs are due in the year 2023 to conduct their AGMs on or before 30<sup>th</sup> September, 2023 through VC/OAVM, without the physical presence of the Members at a common venue and also provided relaxation from dispatching of physical copies of financial statements for the year 2023 and, considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (“SEBI Circular”) provided relaxation upto 30<sup>th</sup> September, 2023, 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. The Company has enabled the Members to participate at the 39<sup>th</sup> AGM through the VC/OAVM facility provided by KFin Technologies Limited (KFinTech), Registrar and Share Transfer Agents (RTA). The instructions for participation by Members are given in the subsequent paragraphs. Participation at the 39<sup>th</sup> AGM through VC/OAVM shall be allowed on a first-come-first-served basis.
3. Members attending the 39<sup>th</sup> AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to members to exercise their right to vote by electronic means both through remote e-voting and

e-voting during the 39<sup>th</sup> AGM. The process of remote e-voting is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 39<sup>th</sup> AGM being held through VC/OAVM.

5. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the 39<sup>th</sup> AGM. The members who have cast their vote by remote e-voting prior to the AGM may also join the 39<sup>th</sup> AGM through VC/OAVM but shall not be entitled to cast their vote again.
6. Since, the 39<sup>th</sup> AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the members will not be available for the 39<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Corporate members intending to let their authorised representatives attend the Meeting through VC/OAVM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote through VC/OAVM on their behalf at the Meeting pursuant to Section 113 of the Act. The said Resolution/ Authorisation shall be sent to the Company at [cosecy@zodiacmtc.com](mailto:cosecy@zodiacmtc.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20<sup>th</sup> September, 2023 to Friday, 29<sup>th</sup> September, 2023 (both days inclusive).
10. In terms of the MCA Circulars and relevant circulars issued by the Securities and Exchange Board of India, the Notice of the 39<sup>th</sup> AGM along with the Annual Report for the financial year 2022-23, is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's RTA, KFintech or the Depository Participant(s). The Company will not be dispatching physical copies of Notice of the 39<sup>th</sup> AGM and Annual Report to any Member.
11. Members are requested to register/update their email addresses, in respect of shares held in dematerialized mode/physical mode and who have not registered /updated their email addresses, may get their email address and mobile number registered with the Depository Participant(s)/Company's RTA KFin Technologies Limited respectively to receive electronically the Annual Report and the notice of the 39<sup>th</sup> AGM and the voting instructions along with their user ID and password. In case of any queries, members may write to [evoting@kfintech.com](mailto:evoting@kfintech.com) or call at 1800 309 4001 (Toll free).
12. A copy of the Notice of the 39<sup>th</sup> AGM alongwith Annual Report for the financial year 2022-23 shall be available on the website of the Company at [www.zodiaconline.com](http://www.zodiaconline.com), website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFin Technologies Limited at <https://evoting.kfintech.com>.
13. The Explanatory Statement setting out the material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item No. 3 of the accompanying Notice is annexed hereto.
14. A brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of Company/ies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors *inter se* as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in Annexure A to the Notice under Details of Director seeking re-appointment at the 39<sup>th</sup> Annual General Meeting.
15. Relevant documents referred to in the accompanying Notice and the Statement shall be provided for electronic inspection by the members at the Registered Office of the Company on all working days, (except Sundays and Public Holidays) during business hours up to the date of the Meeting.
16. Members who hold shares in physical form can avail of the nomination facility in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. SH-13 in duplicate with the Share Transfer Agents who, on request, shall supply blank nomination forms. Members holding shares in the dematerialized form may contact the Depository Participant for recording their nomination in respect of their shares.
17. 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.
18. All unclaimed dividends up to the Dividends for the year upto 2014-15 paid by the Company have been transferred to the General Revenue Account of the Central Government. Pursuant to the provisions of the Investor Education & Protection Fund (IEPF) (Uploading of Information regarding Unpaid & Unclaimed Amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of the unpaid & unclaimed amounts lying with the Company on the website of the Company ([www.zodiaconline.com](http://www.zodiaconline.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)). Unclaimed Equity Dividend for the financial year 2015-16 is due for transfer to IEPF on or before 17<sup>th</sup> October, 2023. Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in the prescribed Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.
19. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Equity Shares in respect of which dividend remains unclaimed/unpaid for the last seven or more consecutive years, are required to be transferred to the Demat Account of the IEPF authority. In this regard, the Company has already informed the concerned Members through letter(s) and subsequently through publication of Notice(s) in 'the Free Press Journal' and 'Navshakti' advising them to claim their unclaimed/unpaid dividend from the Company within the stipulated time period. The Company has also uploaded on its website i.e. [www.zodiaconline.com](http://www.zodiaconline.com), the complete list of member's along with relevant details pertaining to unclaimed/unpaid dividend for seven consecutive years or more and the corresponding shares liable to be transferred to the Demat account of the IEPF Authority. Members may view the aforesaid details on [www.zodiaconline.com](http://www.zodiaconline.com) under the 'Investor Relations' category.
20. Members are being informed that once the unclaimed/unpaid

dividend is transferred to the account of IEPF and shares are transferred to the Demat account of IEPF authority, no claim shall lie against the Company in respect of such dividend/shares. The eligible members are entitled to claim such unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in the prescribed Form IEPF-5 online and sending the physical copy of the same duly signed along with the requisite documents to the Registered Office of the Company for verification of their claim. Those members, who have not encashed their dividends for the financial year 2015-16 and thereafter, are requested to claim it from KFintech immediately.

21. Share transfer documents and all correspondences relating thereto, should be addressed to the Registrar and Share Transfer Agents of the Company M/s. KFin Technologies Ltd, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana India. Toll free No. 1-800-309-4001, E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
22. The Ministry of Corporate Affairs (MCA) has introduced a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and the rules framed thereunder. In case you have not registered your e-mail id, please communicate the same to the Company or RTA at their communication address given in the Annual Report in respect of the shares held in physical mode or communicate to the concerned DP in respect of shares held in demat/electronic mode.
23. SEBI has mandated the submission of Permanent Account Number (PAN) as the sole identification number by every participant in securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares. Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s), (ii) Transmission of shares to the legal heir(s), and (iii) Transposition of shares. Accordingly, members holding shares in dematerialized form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts, if not already submitted. Members holding shares in the physical form can submit their PAN details to the Company / Registrar and Transfer Agents, KFintech, if not already submitted.
24. Members are requested to:
  - i. Quote Registered Folio / Client ID and DP ID in all their correspondence.
  - ii. For ease of conduct of the 39<sup>th</sup> AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id [investordesk@zodiacmfc.com](mailto:investordesk@zodiacmfc.com), at least 10 days before the date of the 39<sup>th</sup> AGM, mentioning their name, demat account no. /folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the 39<sup>th</sup> AGM.
25. SEBI has mandated the submission of PAN, KYC and nomination details by Members holding shares in physical form by 31<sup>st</sup> March, 2023, and linking PAN with Aadhaar by 31<sup>st</sup> March, 2023 vide its circular dated 16<sup>th</sup> March, 2023. Members are requested to kindly submit their PAN, KYC and nomination details to the Company's RTA Kfintech Technologies Ltd. The forms for updating the same are available at <https://www.ris.kfintech.com> and on the Company's

website i.e. [www.zodiaconline.com](http://www.zodiaconline.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 31<sup>st</sup> 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.

## 26. INSTRUCTIONS FOR MEMBERS ATTENDING THE 39<sup>th</sup> AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Members will be provided with a facility to attend the 39<sup>th</sup> AGM through video conferencing platform provided by KFintech. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote e-voting credentials.
- ii. Please note that 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 instructions provided in Note No. 26 and 27.
- iii. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Members will need the latest version of Google Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
- iv. Members can join the 39<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before the scheduled time of commencement of the meeting by following the procedure mentioned at point (a) above, and this mode will be available throughout the proceedings of the 39<sup>th</sup> AGM.
- v. Members who may want to express their views or ask questions may visit <https://emeetings.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries in the window provided, by mentioning their name, demat account number/ folio number, e-mail ID and mobile number. The window shall remain active during the remote e-voting period.
- vi. In addition to the above-mentioned step, the members may register themselves as speakers for the 39<sup>th</sup> AGM to pose their queries. Accordingly, the members may visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during the remote e-voting period. The Company reserves the right to restrict the speakers at the 39<sup>th</sup> AGM to only those Members who have registered themselves, depending on the availability of time for the 39<sup>th</sup> AGM.
- vii. Members will be required to grant access to the web-cam to enable a two-way video conferencing.
- viii. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM at <https://evoting.kfintech.com//instapoll>. E-voting during the AGM is integrated with the VC/OAVM platform. Members may click on the voting icon ("Thumb sign") on the left side of the screen to cast their votes.
- ix. In case of any query and/or help, in respect of attending 39<sup>th</sup>

AGM through VC/OAVM mode, members may refer to the Help & Frequently Asked Questions (FAQs) and ‘AGM VC/OAVM’ user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Shyam Kumar, KFinTech at Selenium Tower B, Plot 31&32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032, Telangana. or at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFinTech’s toll free No.: 1800-309-4001 for any further clarifications.

## 27. Voting Instructions:

- i. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, the Resolutions proposed at the 39<sup>th</sup> AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the 39<sup>th</sup> AGM) and through e-voting during the 39<sup>th</sup> AGM, for which purpose the Company has engaged the services of KFinTech to facilitate remote e-voting.
- ii. Please note that the Members can opt for only one mode of voting i.e. e-voting during the meeting or remote e-voting. If members opt for remote e-voting, then they should not e-vote at the meeting and vice versa. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the meeting and participate in the meeting, but shall not be entitled to cast their vote again.
- iii. The Board of directors of the Company have appointed Mr. B. Narasimhan, Proprietor of B.N. & Associates, a Practising Company Secretary or failing him Mr. Venkataraman K., a Practising Company Secretary, as the Scrutinizer for conducting the Remote e-voting process and e-voting at the 39<sup>th</sup> AGM in a fair and transparent manner. The Scrutinizer’s decision on the validity of the votes shall be final.
- iv. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Members as on 20<sup>th</sup> September, 2023 being the cut-off date. Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the 39<sup>th</sup> AGM.
- v. The particulars as required by Rule 20 of the Companies (Management and Administration) Rules, 2014 shall be published through an advertisement in the following newspapers: (i) Business Standard and (ii) Lokmat.
- vi. The Scrutinizer will submit his report to the Chairman/Managing Director after the completion of scrutiny, and the result of the voting will be announced by the Chairman/Managing Director or Company Secretary of the Company duly authorized, on or before 01<sup>st</sup> October, 2023 at the registered office of the Company and will also be displayed on the Company’s website ([www.zodiaconline.com](http://www.zodiaconline.com)) and on the website of KFinTech (<https://evoting.kfintech.com>) immediately after the results are declared. The Company shall simultaneously forward the results to BSE Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.

### The instructions for e-voting are as under:





- A. In case of a Member receiving an email of the 39<sup>th</sup> AGM Notice from KFinTech [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
  - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.

- ii. Enter the login credentials (i.e., User ID and password). Event No. followed by Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, Click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVENT” i.e., Zodiac Clothing Company Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at <https://evoting.kfintech.com>. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_ EVENT NO.”
- xiii. In case a person has become a member of the Company after the electronic dispatch of AGM Notice but on or before the cut-off date i.e. 20<sup>th</sup> September, 2023, he/she may write to the KFinTech on the email Id: <https://evoting.kfintech.com> or to Mr. Shyam Kumar, toll free no. 1-800-309-4001, at [Unit: Zodiac Clothing Company Limited] KFin Technologies Ltd, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

### 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 shareholder/s	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>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><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <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> <li>After successful login of Easi / Easiest, the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>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>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 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. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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@nsdl.co.in">evoting@nsdl.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 22-23058542-43.

B. In case of Members who have not registered their e-mail address (including Members holding shares in physical form), please follow the steps for registration of e-mail address and obtaining User ID and Password for e-voting as mentioned in Note No. 11 of the “Notes” section above.

i) User ID and initial password are provided in a separate e-voting communication, being sent along with the Notice of 39<sup>th</sup> AGM and Annual Report.

- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on **Monday, 25<sup>th</sup> September, 2023, at 09:00 a.m.** and ends on **Thursday, 28<sup>th</sup> September, 2023, at 5:00 p.m.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being **Wednesday, 20<sup>th</sup> September, 2023**, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote again at the meeting.
- D. In case of any query or grievance pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.kfintech.com> (KFintech's website) or Contact:
- Mr. Shyam Kumar  
KFin Technologies Ltd  
Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad, Telangana - 500 032.  
Email: <https://evoting.kfintech.com>, Toll Free No.: 1-800-309-4001
- E. Voting at the 39<sup>th</sup> AGM will be through electronic voting system. The Scrutinizer shall after scrutinizing the votes cast at the 39<sup>th</sup> AGM and through remote e-voting, make a Consolidated Scrutinizers Report and submit the same to the Chairman/Managing Director of the Company or a person authorised by him in writing, who shall countersign the same and not later than 48 hours after the conclusion of the 39<sup>th</sup> AGM.
- F. The Results declared along with the Consolidated Scrutinizers Report shall be placed on the Company's website [www.zodiaconline.com](http://www.zodiaconline.com) and on the website of KFintech i.e. <https://evoting.kfintech.com>. The results shall also simultaneously be communicated to the BSE Ltd

and National Stock Exchange of India Ltd., where the Company's shares are listed.

- G. The resolution/s shall be deemed to be passed on the date of the 39<sup>th</sup> AGM, subject to receipt of sufficient votes in favour of the resolution/s through a compilation of voting results (i.e. remote e-voting and electronic voting held at the 39<sup>th</sup> AGM).
28. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15<sup>th</sup> April, 2020 issued by the ICSI, the proceedings of the 39<sup>th</sup> AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the 39<sup>th</sup> AGM. Since the 39<sup>th</sup> AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

By Order of the Board of Directors  
For **ZODIAC CLOTHING COMPANY LIMITED**

**KUMAR IYER**  
**G.M. Legal & Company Secretary**  
**Membership No. – A9600**

Date: 14<sup>th</sup> August, 2023  
Place: Mumbai

**Registered Office:**  
Nyloc House, 254,  
D-2, Dr. Annie Besant Road,  
Worli, Mumbai -400 030.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT  
(Pursuant to section 102 of the Companies Act, 2013)**

**ITEM NO. 3**

Pursuant to Section 188 of the Companies Act, 2013 (“the Act”), read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board (which expression shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolutions) and prior approval of the members by an ordinary resolution in case certain related party transaction/s exceed such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions entered into by the Zodiac Clothing Company Ltd. (“Company”) in its ordinary course of business and on an arm’s length basis.

With effect from 01<sup>st</sup> April, 2022, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (“Listing Regulations”) read with the Company’s Policy on Related Party Transactions, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company, in order to further its business interests, enters into various transactions with its related parties. Amongst these transactions, the estimated value of transactions with Zodiac Metropolitan Clothing GMBH (“ZMC GMBH”), a related party under Regulation 2(1)(zb) of the Listing Regulations, during the financial year 2023-24 is expected to exceed the materiality threshold as stated above.

**Details of Material Related Party Transaction:**

Sr. No.	Particulars	Details
1	Name of the Related Party	Zodiac Metropolitan Clothing GMBH (“ZMC GMBH”).
2	Nature of Relationship with the Company	ZMC GMBH is a company in which Mr. S. Y. Noorani and Mrs. Muna A. Noorani w/o. Mr. A. Y. Noorani indirectly holds (through a holding Company) 49% and 51% respectively of the share capital.
3	Type, material terms and particulars of the proposed transaction	Exports made in European and U.K. territory.
4	Tenure of the proposed transaction	Recurring transactions for duration of five (5) financial years commencing from FY 2022-23 to FY 2026-27.
5	Value of proposed Transaction	Not exceeding ₹25 crores in a financial year.
6	Percentage of the Company’s annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	14.30 %
7	a) Details of the source of funds in connection with the proposed transaction b) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • Nature of indebtedness; • Cost of funds; and • Tenure; c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured d) Purpose for which funds will be utilized	Not applicable, as the transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
8	Justification as to why the RPT is in the interest of the Company	The Company is engaged in the business of manufacture, retail, export of clothing and accessories. Generally the company’s exports are on FOB terms only, however to ensure stability of supplies, logistics and to meet the requirements of some of the company’s customers in the European Union (EU) and the United Kingdom (UK) territory who do not want to undertake the hassles of import clearance and accordingly insist on just in time landed delivery/ies to their warehouses or stores, the Company supplies the goods to Zodiac Metropolitan Clothing GMBH (“ZMC GMBH”) and invoices them for the same including for reimbursement of freight and insurance paid by the Company. In cases where goods are supplied by the Company directly to the customers sourced and referred by ZMC GMBH, the Company is required to pay a commission of 7.5% on the FOB value of the invoice to ZMC GMBH. Both the said transactions of the Company with ZMC GMBH are long term in nature and shall help the company in supplying and servicing to new export customers and markets in Europe and UK hence the same are necessary, normal and incidental to the Company’s business and play a significant role in the Company’s export business operations and are generally in the ordinary course of business and on arm’s length basis with reference to similar transactions undertaken with unrelated parties.
9	Details about valuation, arm’s length and ordinary course of business	These transactions are on arm’s length basis and in the ordinary course of business.
10	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not Applicable.
11	Any other information relevant or important for the shareholders to take an informed decision	All relevant information forms a part of this Explanatory statement setting out material facts.



The said transactions of the Company with ZMC GMBH will also be tested under the Indian Transfer Pricing Regulation of the Income Tax Act, 1961.

As per Regulation 23 of the SEBI Listing Regulations and read with applicable provisions of the Companies Act 2013, related parties as per regulation 2(1) (zb) are not permitted to vote to approve the resolution set out in item no.3 of this Notice whether the related party is a related party to the aforesaid transaction or not.

The Board is of the opinion that the aforesaid Resolution set out at Item No. 3 of the accompanying Notice is in the best interest of the Company and its members and hence, commends the Resolution set out under Item No. 3 for approval by the Members of the Company.

Mr. A. Y. Noorani and Mr. S.Y. Noorani are deemed to be concerned/interested in the above transaction, save and except the above, none

of the other Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in this resolution.

By Order of the Board of Directors  
For **ZODIAC CLOTHING COMPANY LIMITED**

**KUMAR IYER**  
**G.M. Legal & Company Secretary**  
**Membership No. – A9600**

Date: 14<sup>th</sup> August, 2023  
Place: Mumbai

#### Annexure A

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 39<sup>th</sup> ANNUAL GENERAL MEETING

Details of Directors seeking appointment/re-appointment at this Annual General Meeting {Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015} read with Clause 1.2.5 of Secretarial Standard 2

Particulars	Mr. S. Y. Noorani
<b>Date of Birth/ Age</b>	15-03-1963/ 60 years
<b>Date of Appointment</b>	14-05-1993
<b>Director Identification Number</b>	00068423
<b>Qualification</b>	Bachelor of Commerce
<b>Expertise in specific functional areas</b>	Industrialist with expertise in setting up and upgradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.
<b>Terms &amp; Conditions of appointment/ re-appointment</b>	Executive Director of the Company, liable to retire by rotation.
<b>Details of Remuneration to be paid</b>	Please refer to Corporate Governance Report - Nil (The Company has received declaration from Mr. Salman Yusuf Noorani that his remuneration is to be waived off for the financial year 2022-23)
<b>Past Remuneration drawn from the Company</b>	Nil
<b>Directorship held in other public companies</b>	None
<b>Membership/Chairmanships of Audit and Stakeholders Relationship Committee in other public Companies</b>	None
<b>Number of shares held in the Company (As on 31<sup>st</sup> March 2023)</b>	32,98,437 Equity Shares of Rs. 10/- Each
<b>Relationship with Directors</b>	Brother of Mr. A. Y. Noorani
<b>Number of Meetings of the Board attended during the year</b>	6

*ZODIAC*

ZODIAC The mark of a perfectionist

ZODIAC CLOTHING COMPANY LTD.  
39<sup>th</sup> ANNUAL REPORT 2022-2023



**Mohamed Yusuf Noorani**

24.05.1930 – 20.11.2019

Founder Chairman Zodiac Clothing Co. Ltd.

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**B O A R D O F D I R E C T O R S**

Mr. A. Y. Noorani

Chairman

Mr. V. M. Apte

Mr. Bernhard Steinruecke

Ms. Elizabeth Jane Hulse

Mr. S. R. Iyer

Mr. Y. P. Trivedi

Dr. Naushad Forbes

Mr. S. Y. Noorani

Vice Chairman & Managing Director

**REGISTERED OFFICE**

Nyloc House, 254,  
D-2, Dr. Annie Besant Road,  
Worli, Mumbai - 400 030  
Tel : 022-66677000  
Fax : 022-66677279

**CHIEF FINANCIAL OFFICER**

Mr. B. Mahabala

**COMPANY SECRETARY**

Mr. Kumar Iyer

**STATUTORY AUDITORS**

MSKA & Associates  
602, Floor 6, Raheja Titanium  
Western Express Highway, Geetanjali Railway Colony,  
Ram Nagar, Goregaon (E),  
Mumbai- 400063, India

**FACTORIES**

- Yelahanka,  
Bangalore - 560 063.
- Koramangala,  
Bangalore - 560 099.
- Bommasandra  
Bangalore - 560 099.
- A-1, 181 / 1, GIDC, Umbergaon,  
Valsad, Gujarat - 396 171.
- C-2 / 7, GIDC Industrial Area, Umbergaon,  
Valsad, Gujarat - 396 171.
- Plot No. 411, GIDC, Umbergaon,  
Valsad, Gujarat - 396 171.

**SOLICITORS**

AZB & Partners  
AZB House, Peninsula Corporate Park,  
Lower Parel, Mumbai - 400 013

**REGISTRAR & TRANSFER AGENTS OFFICE**

KFin Technologies Limited  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda, Serilingampally  
Mandal, Hyderabad – 500 032, Telangana  
Email id: einward.ris@kfintech.com  
Toll Free Number: 1-800-309-4001  
Website: www.kfintech.com

**BANKERS**

HDFC Bank Limited  
Trade World, A Wing,  
Kamala Mills Compound,  
Lower Parel, Mumbai - 400 013.

RBL Bank Limited  
One Indiabulls Centre,  
Tower 2B, 6<sup>th</sup> Floor,  
841, Senapati Bapat Marg,  
Lower Parel West, Mumbai – 400 013

Bank of Maharashtra  
Apeejay House,  
D V Gandhi Marg,  
Fort Mumbai - 400 001

**SUBSIDIARIES**

- Zodiac Clothing Co. S.A.
- Zodiac Clothing Co. (U.A.E.) LLC
- Zodiac Clothing Bangladesh Limited
- Zodiac Clothing Company INC



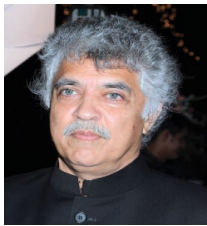
## DIRECTORS' BIOGRAPHIES



### **Mr. A. Y. Noorani**

Chairman

Mr. A.Y. Noorani joined the House of Zodiac in 1968 and after successfully developing its export business and scaling up its overall operations. He was the Managing Director of the Company from 1<sup>st</sup> March 1994 till 28<sup>th</sup> February 2017. He completed the Advance Management Programme at Harvard Business School, Boston, and continues to oversee, corporate affairs and finance functions of the Company. Mr. A.Y. Noorani is the Past President of the Indo-German Chamber of Commerce and is presently on the Managing Committee of the Chamber and a member of the Indo-German Consultative Group. He was a member of the Managing Committee of the Apparel Export Promotion Council, the Bombay Chamber of Commerce & Industry, the Clothing Manufacturers' Association of India, member of the Board of Governors of the National Institute of Fashion Technology and member of the Steering Group on Investment and Growth in the Textile Industry. He is also director in the subsidiary companies of Zodiac Group. He was also Director of Indian Oil Corporation.



### **Mr. V. M. Apte**

Director

Mr. Vaman Apte is the Chairman of Dr. Writers Food Products Private Limited and a consultant at Plastocrafts Industries Private Limited and has a rich and varied business experience. He received his Bachelors degree in Arts from Ruia College. He has also been associated with cricket and squash, captained a few teams and won various national awards. He was a former member of the Managing Committee of Willingdon Sports Club, executive committee member of the Cricket Club of India, executive Committee Member Squash Rackets Federation of India and Chairman of Squash Rackets Association of Maharashtra.



### **Mr. Bernhard Steinruecke**

Director

Mr. Bernhard Steinruecke was the Director General of The Indo-German Chamber of Commerce. He was the Managing Partner on the Board of ABC Bank GmbH, Berlin and representative of the Indo-German Chamber of Commerce, Berlin, Germany. After acquiring an Honours degree in Law from the University of Heidelberg, he became the Assistant Judge at the Supreme Court of Hamburg. He later on joined the Deutsche Bank AG and rose to become its Joint Chief Executive Officer, India. He is currently a Director of HDFC ERGO General Insurance Company Limited, Ergo Technology & Services Private Limited and Nuernbergmesse India Private Limited.



### **Mr. S. R. Iyer**

Director

Mr. S.R. Iyer retired as Managing Director of the State Bank of India and was also the Managing Director of State Bank of Mysore. He was the former Chairman and Director of the Credit Information Bureau (India) Limited and the Director of the National Stock Exchange of India Ltd. and GE Capital Business Process Management Services Pvt. Ltd. He has vast knowledge and rich experience in banking. He is presently Chairman of Waterfield Advisors Private Limited, Waterfield Financial and Investment Advisors Private Limited and Infrastructure Finance Credit Committee of Aditya Birla Finance Limited and Director of P N Writer and Company Private Limited, Writer Lifestyle Private Limited, Writer Safeguard Private Limited, Writer Business Services Private Limited.



**Ms. Elizabeth Jane Hulse**

Director

Ms. Elizabeth Jane Hulse has a BA (Hons) Degree in Textiles, and over four decades of varied experience in the clothing industry in the UK. She is well-versed in textile designing, fabric sourcing and purchasing, Brand and Product Management and Buying. She has worked with reputed clothing companies and retailers such as British Van Heusen, Tootal Menswear and the Burton Group, and was Head of a highly successful UK operation for Zodiac for over a decade.



**Mr. Y. P. Trivedi**

Director

Mr. Y. P. Trivedi, Ex-member of Rajya Sabha, was the former President of Indian Merchants Chamber, The Chamber of Income Tax Consultants, Indo-African Chamber of Commerce and is a member of the Managing Committee of Indian Merchants Chamber. He has also served as a Director of Central Bank of India, Dena Bank and Central Bank Executors and Trustee Company Limited. He is currently the Chairman of Sai Service Private Ltd. and Director of Federation of Indian Automobile Association.



**Dr. Naushad Forbes**

Director

Dr. Naushad Forbes is the Co - Chairman of Forbes Marshall, India's leading Steam Engineering and Control Instrumentation firm. He chairs the Steam Engineering Companies within the group. Dr. Naushad was an occasional Lecturer and Consulting Professor at Stanford University from 1987 to 2004 where he developed courses on Technology in Newly Industrializing Countries. He received his Bachelors, Masters and PhD Degrees from Stanford University He is on the Board of several educational institutions and public companies. Presently he is a chairman of center for Technology Innovation and Economic Research in Pune. He has long been an active member of CII and has at various times chaired the National Committees on Higher Education, Innovation, Technology, and International Business He was President of CII for 2016 – 17. He is currently a Director on the Board of Bajaj Holdings & Investment Limited, Bajaj Finserv Limited, Bajaj Finance Limited, Bajaj Auto Limited, Forbes Marshall (HYD) Private Limited, Forbes Marshall Private Limited, J N Marshall Private Limited, Forbes Marshall Arca Private Limited, Forbesvyncke Private Limited, Krohne Marshall Pvt Ltd, Forbes Solar Private Limited, Forbes Marshall Technology Private Limited and Ctier Impact Forum, Ralson Tyres Limited, CSEP Research Foundation, Nayanta Education Foundation and Singapore- India Partnership Foundation (India).



**Mr. S. Y. Noorani**

Vice Chairman & Managing Director

Mr. S. Y. Noorani joined the House of Zodiac in 1982. He is responsible for setting up the company's state-of-the-art of manufacturing facilities and international marketing operations in London, Dusseldorf and New York. He oversees the management of the Company and leads a dynamic team of professionals in the running of the Company ranging from design and manufacturing to sales and marketing which has successfully launched the brand ZOD! and Z3 in the Indian market. Mr. S. Y. Noorani has also served on the Managing Committees of Indo- Italian Chamber of Commerce as well as CMAI. He was a member of the Regional Council of CII [Western Region]. Presently he is a Member of National Council of CII & Co- Chairman of Apparel Committee of CII.

## CHAIRMAN'S STATEMENT



With cases of Covid-19 subsiding, the world seemed to be emerging out of the shadow of the pandemic. The anticipation was that the year gone by was going to be an opportunity for the global economies to recover from the lingering after effects of the pandemic. However, although markets showed some signs of improvement, geopolitical crisis, supply chain disruptions, global inflation, rising interest rates, war in Ukraine and increased volatility all around, business has been riddled with added complexity and challenges.

The company embarked on strongly pursuing the execution of its strategic goals to build on the foundations laid, to achieve future growth. The challenges (in addition to the others outlined) focused on were emanating from the ban by the US (and subsequently

other markets of the company) on Xinjiang cotton and the relatively lower depreciation of the Rupee vis a vis its competing countries. Raw material price volatility (for both cotton and man made fibre) during the year was also challenging. The “China plus One” strategy of major clothing importing countries to dilute their over dependence on China is a major opportunity to recover ground lost to Bangladesh, Vietnam and Cambodia, besides a few others. When China started to yield market share arising from their shifting to higher value added products, and of diverting large volumes of clothing production to their internal market, the negotiations with the UK and Canada and the signing of treaties with the UAE and Australia, and the fast-track negotiations with the EU and US for beneficial tariffs will propel growth.

The operating performance and ratios were favourably impacted as a result of the activities generated as well as the divestment of an investment property, which helped reduce debt and cost of funds, as well as consumer demand showing an uptick in some part of the year, internationally in the Americas, as well as on the branded business in India particularly in the e-commerce channel. Cost has been severely curtailed which has also favourably impacted the operating results as well as EBIDTA. There were 9 new stores opened and 16 more are slated to open before the end of the calendar year, in keeping with the company's strategy to focus on its retail arm in addition to its web business. Zodiac remains a pioneer in sustainability among players in the industry with manufacturing facilities that are carefully engineered to minimize our impact on the environment.

The Company has incurred Capital expenditure of Rs. 262.72 Lakhs during the year, primarily in state of the art production equipment, new stores and information systems to sharpen our competitiveness.

During the year, the Company's Promoters have infused an amount of Rs. 11.99 crores by subscribing to equity shares issued on preferential basis to enable the Company to meet its working capital requirements, outstanding loan repayments and capital expenditures, as well as for general corporate purposes.

The operational results of the UAE subsidiary continue to be subdued due to market conditions there. The expected commencement of production in the Bangladesh subsidiary should contribute to increase in international business commencing Q3. The US subsidiary has begun to stabilise, and has shown a

modest profit and continues to hold potential for growth.

CARE Ratings Limited has retained its rating for the year after their assessment. The government has to be thanked for its sensitivity to the needs of the industry and for its proactive approach, which is greatly appreciated. Their policy envisages growth on a scale hitherto not contemplated. Expeditious and flawless execution is vital for the policy to succeed in achievement of goals.

I would like to conclude with a vote of thanks to all our constituents - our shareholders for the confidence reposed in the management, our customers, government departments, bankers, solicitors, distributors, suppliers and other business associates for their wholehearted support and for the contribution made by them towards the development of the company.

My grateful thanks to our independent directors for their valuable guidance and advice in steering the company during these turbulent times and especially for the high standard of corporate governance that has been sustained by the company as a direct result of their inputs, as well as for their continuously guiding the company towards best practices across industries.

I would like to place on record my deepest appreciation and thanks for the significant contribution made by the employees at all levels. Facing the challenges we have had to face, was made possible by their hard work, strong work ethic, solidarity, cooperation and unstinted support.

I look forward to your continued support in our future endeavours to take the company to greater heights. We assure you we remain as committed as ever to the company's goals.

Mumbai

14<sup>th</sup> August, 2023

**A. Y. Noorani**

Chairman



ZODIAC  
*Regale*  
*Italian 200's*

ZODIAC  
ZODIAC

RK

# Regale

Limited Edition, Bespoke & Made-to-Measure

Customised fit and personalised monogramming.

Collar and Cuff styles based on personal preferences.

Two ply superfine Italian fabrics for  
unparalleled softness and luxury.

Specially crafted detachable collar bones.

Genuine mother of pearl buttons.

Bespoke, made to measure, limited edition shirts,  
for modern day royalty.

# ZODIAC

FINEST QUALITY CLOTHING

[www.zodiaconline.com](http://www.zodiaconline.com)

*Tailored Fit*

**ZODIAC**  
FINEST QUALITY SHIRTTAKERS

*Mercerized Two Ply Cotton*

*Matera*

**Z O D I A C**

FINEST QUALITY CLOTHING

— [www.zodiaconline.com](http://www.zodiaconline.com) —

## HIGHLIGHTS (STANDALONE AND CONSOLIDATED)

₹ In Lakhs

Particulars	2022-23		2021-22	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	16900.01	17480.87	12823.76	12665.2
Other Income	748.11	860.01	3238.49	2671.22
Total Income	17648.12	18340.88	16062.25	15336.42
Less: Total expenses	17610.47	18231.43	14499.14	14508.57
Profit/(Loss) before finance cost, Depreciation and other exceptional item	37.65	109.45	1,563.11	827.85
Less: Finance cost	682.67	682.67	616.85	616.85
Profit/(Loss) before depreciation	(645.02)	(573.22)	946.26	211.00
Less: Depreciation	1740.24	1770.27	1830.02	1857.41
Profit / (Loss) before exceptional item	(2,385.26)	(2,343.49)	(883.76)	(1,646.41)
Add: Exceptional item	3901.09	3901.09	0	0
<b>PROFIT / (LOSS) BEFORE TAX FOR THE YEAR</b>	<b>1,515.83</b>	<b>1,557.60</b>	(883.76)	(1,646.41)
Tax Expense	(63.45)	(40.49)	104.35	(9.55)
<b>PROFIT / (LOSS) AFTER TAX FOR THE YEAR</b>	<b>1,579.28</b>	<b>1,598.09</b>	(988.11)	(1,636.86)
Add: Balance brought forward from the last year	6,473.12	8,018.46	7,423.04	9,617.13
Add / Less: Other Comprehensive Income / (Loss) for the year	91.16	91.16	38.19	38.19
Less: Impact of Change in accounting policy (Ind AS 116)	0	-	-	-
Add: Transfer from OCI to Retained Earnings on derecognition of Equity Instruments	0	-	-	-
Total amount available for appropriation	8,143.56	9,707.71	6,473.12	8,018.46
Appropriations:				
Dividends			-	
Balance in Retained Earnings	8,143.56	9,707.71	6,473.12	8,018.46



## DIRECTORS' REPORT

To,  
The Members,  
Zodiac Clothing Company Limited.

The Board of Directors are pleased to present the Company's 39<sup>th</sup> Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31<sup>st</sup> March, 2023.

### 1. BUSINESS:

During the financial year ended 31<sup>st</sup> March, 2023, the operational revenue of the Company on a Standalone basis was ₹16,900 Lakhs vs. ₹12,824 Lakhs in the previous year. Profit/(Loss) Before Tax and before exceptional items was ₹(2,385) Lakhs vs. ₹(884) Lakhs in the previous year, while the Net Profit/(Loss) after Tax for the Financial Year ended 31<sup>st</sup> March 2023 was ₹1,579 Lakhs vs. ₹(988) Lakhs in the previous year. The Total Comprehensive income for the year was ₹1,999 Lakhs vs. Comprehensive Loss of ₹(408) lakhs in the previous year.

On a Consolidated basis, the Operational revenue of the Company for the year increased to ₹17,481 Lakhs from ₹12,665 Lakhs in the previous year. The Consolidated Profit/(Loss) before Tax and before exceptional items was ₹(2,343) Lakhs vs. ₹(1,646) Lakhs in the previous year, the Net Profit/(Loss) after tax being ₹1,598 Lakhs vs. ₹(1,637) Lakhs in the previous year. The Consolidated total Comprehensive income for the year was ₹2,084 Lakhs vs. Comprehensive Loss of ₹(979) Lakhs in the previous year.

The year under review presented continued challenges arising out of a volatile macroeconomic environment, supply chain disruptions and geopolitical unrest. However, the company remained focused on executing its strategic roadmap and building on the foundations we have laid to enable future growth. Globally, the clothing industry was impacted by continued supply chain disruptions arising from shipping delays and the US's ban on goods from China's Xinjiang region. Further, demand in Europe was significantly impacted by the ongoing war in Ukraine. While currency depreciation typically aids export competitiveness, the benefits of this were limited given the INR's strength relative to the currencies of competitor nations which saw higher depreciation against the USD.

In India, the company has witnessed an encouraging response to new products launched during the last year, particularly z3 Polo knit shirts, and is readying more exciting new product lines for the coming year. The company's Zodi! line of party wear is also witnessing a resurgence given that the offering caters well to evolving fashion trends. Finally, the online business continued to grow rapidly during the year and remains a key area of focus for management to drive growth of the branded business going forward.

In the export segment, the "China Plus One" scenario wherein global players are seeking to diversify

their supply chains to limit their reliance on China remains a large opportunity, although the impact on India has thus far been restricted to certain industries such as footwear. In apparel, the biggest beneficiary of this trend so far has been Vietnam, most notably for supplies to the US and the EU. Were India to negotiate a level playing field in terms of tariffs relative to Vietnam and other "Tiger Cub" countries, it could be truly transformative for the country's clothing exporters.

With the growing awareness of environmental and social issues, sustainability has become a key trend in the fashion industry. Indian fashion brands are increasingly adopting eco-friendly practices in their supply chain, production, and marketing. For instance, many brands are using organic and recycled materials, minimising waste and carbon footprint. As consumers are becoming more conscious of their impact on the planet, sustainable fashion is expected to grow in demand.

ZODIAC has long pioneered in sustainability & ecological consciousness is entrenched throughout the organisation. Our manufacturing plants are GOTS certified for organic cotton. The garment dyeing & washing facilities are engineered to reduce water consumption by 66%. From the balance 34% water, we recycle and reuse 92%! The differential is made up by harvesting rain water, the excess of which is used to recharge ground water, making us water positive. Our manufacturing plants comply with norms for zero discharge of hazardous chemicals into the environment. Custom designed and built heat extractors use the high temperature of washing and dyeing residue to feed pre-heated water to our boilers. This reduces our energy usage and carbon footprint, helping us score 100/100 for energy conservation on the HIGG Index, which rates environmental & social sustainability. Additionally, our head office is a LEED Gold certified building. ZODIAC, working towards a responsible and sustainable future.

As the company's sales normalise post the pandemic and grow therefrom, the bottom line should see significant gains with reduced costs. Further, we also expect our revenues to improve substantially after the commencement of manufacturing activities at our Bangladesh unit by the end of this calendar year.

During the year under consideration, the Company's Promoters have infused an amount of ₹11.99 crores by subscribing to equity shares issued on preferential basis to enable the Company to meet its working capital requirements, outstanding loan repayments and capital expenditures, as well as for general corporate purposes.

## 2. RESULTS OF OPERATIONS

### Financial Results

(₹ in Lakhs)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	16,900	12,824	17,481	12,665
Other Income	748	3,238	860	2,671
Total Income	17,648	16,062	18,341	15,336
Profit/(Loss) Before Exceptional Items and Tax	(2,385)	(884)	(2,343)	(1,646)
Exceptional Item	3,901	-	3,901	-
Profit/(Loss) Before Tax	1,516	(884)	1,558	(1,646)
Provision for Taxation:				
Current tax	-	113	-	113
Deferred tax Charge/(Credit)	(64)	(23)	(41)	(135)
Tax in respect of earlier years	1	14	1	13
Profit/(loss) after taxation	1,579	(988)	1,598	(1,637)
Other Comprehensive Income	420	580	486	658
Total Comprehensive Income/(loss) for the year	1,999	(408)	2,084	(979)

### 3. SUBSIDIARY COMPANIES:

As on 31<sup>st</sup> March, 2023, the Company had one (1) subsidiary and three (3) step-down subsidiaries. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries/step-down subsidiaries in Form AOC-1 is attached as **Annexure 3** to this report.

Pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated financial statements of the Company along with relevant documents and the financial statements of the subsidiaries/step-down subsidiaries, are available on the website of the Company at the link <https://www.zodiaconline.com/others>.

### 4. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the requirements of Accounting Standards AS-21, a Report on the performance and financial position of all the company's subsidiaries/step-down subsidiaries are included in the Consolidated Financial Statements and their contribution to the overall performance of the

Company, provided in Form AOC – 1, forms part of this Annual Report.

### 5. CREDIT RATING:

The credit rating has been reaffirmed by CARE Ratings Limited and the ratings are disclosed in the Corporate Governance Report which forms part of this Annual Report.

### 6. CAPEX:

The Company has incurred Capital expenditure of ₹262.72 Lakhs during the year, primarily in state of the art production equipment, new stores and information systems to sharpen our competitiveness.

### 7. LIQUIDITY:

The Debt Equity ratio as on 31<sup>st</sup> March, 2023 was 0.25 on a Standalone basis and 0.23 on a Consolidated basis.

The cash and bank balances/cash equivalents along with liquid investments (free reserves – on consolidated basis) were ₹4,221.90 Lakhs as on March 2023, as against ₹1,058.63 Lakhs last year.

### 8. SHARE CAPITAL:

During the year under review, the paid up share capital of the Company increased from ₹24,75,95,310/- to ₹25,99,37,170/- pursuant to

allotment of 12,34,186 (Twelve Lakhs Thirty-Four Thousand One Hundred and Eighty-Six) Equity Shares of ₹10/- each at a premium of ₹87.23/- per Equity Share on Preferential Basis to the Promoters of the Company in February 2023.

**9. DIVIDEND:**

The Board of Directors of your Company have not recommended any dividend for the Financial year 2022-23 (previous year - NIL)

**10. CORPORATE GOVERNANCE:**

The Company has complied with all the mandatory requirements regarding Corporate Governance as required under Regulations 17 to 27 and Schedule V of the SEBI LODR with the Stock Exchange(s). The report on Corporate Governance, Management Discussion and Analysis, as well as the Auditors Certificate on the compliance of conditions of Corporate Governance forms a part of the Annual Report. As required under Regulation 17(8) of Listing Regulations, the Managing Director and CFO have certified to the Board about compliance by the Company with the requirements of the said sub regulation for the financial year ended 31<sup>st</sup> March, 2023.

**11. CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES:**

In line with the requirements of the Companies Act, 2013 and the amended SEBI LODR, the Company has a Policy on Related Party Transactions which is also available on Company's website at the link <https://www.zodiaconline.com/codes-and-policies>. The Policy ensures that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The Policy inter alia deals with the review and approval of Material Related Party Transactions (MRPTs) keeping in view the potential or actual conflict of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and prior approval (including omnibus approvals) and wherever applicable board/members approvals are obtained. Note no. 44 of the Standalone financial statements contained disclosures on related party transactions.

Disclosure on MRPT is given in Form AOC 2 (**Annexure 4**) as per Section 134(3)(h) read with Section 188(2) of the Companies Act, 2013. In terms of the amended SEBI LODR, the prior approval of the members is required to be obtained every year in respect of each MRPTs. Accordingly, the approval of the members is being sought in item No. 3 of the Notice of the 39<sup>th</sup> AGM.

**12. QUALITY:**

The focus on productivity gains and consistent quality continues to be the cornerstone of the

Company's philosophy. Quality, continuous innovation and pursuit of high value addition and cost control continue to drive the Company.

Zodiac is implementing cutting edge technology through a paperless floor management software which tracks quality on a live basis and helps the manufacturing lines take pre-emptive steps and thereby control down time and rejections. This is a SAAS based model uploaded in the cloud with automatic escalation up the matrix of the management in a manner that ensures every stakeholder participates in the process of making a high quality product.

**13. BRAND BUILDING:**

The Company continues to invest in building the strength of its three brands (Zodiac, z3 and ZOD!), to drive sales traction now as well as in the future.

Upgradation of quality to win customer loyalty is a continuously ongoing exercise with the objective of achieving customer delight at the price value relationship, where the company provides truly international quality and design at prices which are affordable even without discounts.

**14. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

**(A) Conservation of Energy**

***i) The steps taken or impact on conservation of energy:***

The Company having already achieved excellent benchmarks in conservation of energy, has invested in steam optimization projects for its process requirements, which has resulted in a drop in the consumption and the efficiency is going up.

Conservation of Energy continues to receive increased emphasis at all units of the Company. Energy audits and Inter-unit studies are carried out on a regular basis for analyzing and taking steps for reduction of energy consumption. we believe that conservation is a continuous effort and every day there is an opportunity to be better than the previous day -this is what helps us to live up to the stringent standards we set for ourselves.

All machinery and equipment are being continuously serviced, updated and overhauled to maintain them in good and energy efficient condition. This resulted in consumption of lesser energy consumption.

The company has achieved significant advancements in energy conservation by transitioning from the utilization of furnace oil and diesel to employing gas-fired steam & power generation. This makes the entire process of steam generation more efficient, resulting in reduced fuel wastage and a diminished need for transportation. In contrast to previous

practices involving the transportation of furnace oil via tankers from distant states, the adoption of gas delivery through on-site pipelines from the central grid has proven to be remarkably cost-effective and environmentally beneficial, effectively lowering the carbon footprint. Moreover, this shift has eradicated fuel losses attributed to transportation and spillage, ultimately amplifying the yield per unit of expenditure.

Our Higg score speaks for itself 100/100 on the following evaluation parameters water/waste water / 90 + on energy.

**(B) Pollution Control**

The Company’s zero liquid discharge plant for water treatment has resulted in the Company’s dependency on outside water to almost nil.

With the increase in the catchment area for rain water harvesting, the surplus water generated is used to recharge the existing ground water sources and for maintaining the beautiful garden and flowering plants around the factory premises thereby creating a very pleasant atmosphere. The Company’s continuous efforts have been recognized by the Pollution Control Board and the Company is being referred as a model factory by the Pollution Control Board.

It is the Company’s continuous thrust in this area that has resulted in results which far exceed the industry norm. As a result of aggressively mapping the input parameters /processes & live balancing of the effluent treatment, the Company has been able to achieve a high level of efficiency.

With its energy-efficient design, the ZODIAC corporate office utilizes around 60 percent less energy than a typical office of the same size.

**(C) Technology, Absorption, Adaptations and Innovation:**

***(i) The efforts made towards technology absorption:***

Continuing with its thrust on being energy efficient -the company has been investing in the process of changing over the boilers from diesel /furnace oil to gas fired -resulting in savings of fuel and making the process more cost effective .We are also optimizing the dye process house by bringing in more fully computerised automatic equipment to do the processing which will result in a further savings in chemicals and water -the next step is investment technology to monitor steam consumption and efficiency thereby making that next jump in our conservation efforts.

***(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;***

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company’s operations do not require significant import of technology. In addition to product development and raw material development which continue to be strengthened, Research and Development activities on fashion designing are carried out on an on-going basis. Adopting technologies with state-of-art systems and machineries like PLM software, automated cutting machine, automated fabric inspection machines, etc., the quality of the products and efficiency of the systems have substantially improved. Applying these technologies has helped keep costs of production under control.

***(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-*** Not Applicable

**(D) Foreign Exchange Earnings and Outgo:**

(₹ in Lakhs)

Foreign exchange used and earned		2022-23	2021-22
a.	Foreign Exchange Earnings	9,934	7,461
b.	Foreign Exchange Outgo	2,581	2,108

**15. CORPORATE SOCIAL RESPONSIBILITY:**

Corporate Social Responsibility (CSR) is traditionally driven by a moral obligation and philanthropic spirit. The Company has a heritage of being engaged in such activities. The Company is committed to sustainability and all business decisions take in to account its social and environmental impact.

As per the provisions of Section 135 of the Companies Act 2013, the Company has a CSR Committee, details of which are given in the Corporate Governance Report forming part of this report. The details of the Company’s CSR policy has been posted on the website of the Company at the link <https://www.zodiakonline.com/codes-and-policies>.

The Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014 including a brief outline of the Company’s CSR Policy, total amount to be spent under CSR for the Financial Year, amount unspent and the reasons thereof are set out at **Annexure 1** forming part of the report.

**16. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

During the year, following were the changes in Directors/ Key Managerial Personnel:

- Mr. S.Y. Noorani (DIN: 00068423) was re-appointed as the Managing Director of the Company for further period of (three) years with effect from 1<sup>st</sup> March, 2023.

- Dr. Naushad Forbes (DIN: 00630825) has been re-appointed as an Independent Director for a second term of 5 (five) years from 29<sup>th</sup> March, 2023 to 28<sup>th</sup> March, 2028.

- In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mr. S. Y. Noorani, Vice Chairman & Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

#### **List of Key Managerial Personnel**

<b>Sr. No</b>	<b>Name of the person</b>	<b>Designation</b>
1.	Mr. S. Y. Noorani	Vice Chairman & Managing Director
2.	Mr. B. Mahabala	V. P. Commercial & Chief Financial Officer
3.	Mr. Kumar Iyer	G. M. Legal & Company Secretary

#### **EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

During the year, annual performance evaluation of the Board and Committees of the Board, individual Directors including the Chairman of the Company, was carried out as per the criteria and process approved by Nomination and Remuneration Committee, which is in line with the SEBI Guidance Note on Board Evaluation.

The Chairman and other members of the Board discussed the performance evaluation outcome and concluded that they were satisfied with the overall performance of the Board and Committees of the Board and Directors individually. The Board also assessed the fulfillment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management.

The performance evaluation of the Non-Independent Directors including the Chairman of the Company and performance of the Board as a whole was discussed at the separate meeting of the Independent Directors.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and Listing Regulations and are independent

of the management. The Board skill/ expertise/ competencies matrix of all the Directors, including the Independent Directors is provided in the Corporate Governance Report forming part of this Annual Report.

#### **FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

#### **17. NUMBER OF MEETINGS OF THE BOARD:**

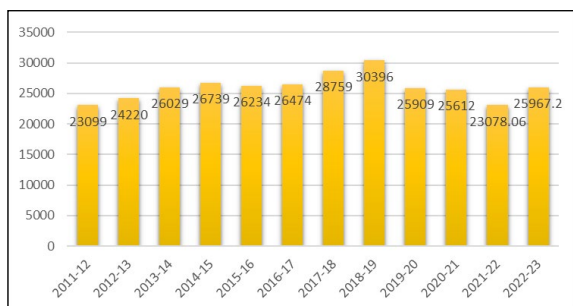
The Board of Directors of the Company met 7 (Seven) times during the year under review. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Report.

#### **18. DIRECTORS’ RESPONSIBILITY STATEMENT:**

Your Directors state that:

- (i) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (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 31<sup>st</sup> March, 2023 and of the profit and loss of the Company for the year ended on that date;
- (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 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 are operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

## NET WORTH – CONSOLIDATED



### 19. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year to which these financial statements relate and the date of this report.

### 20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on Board Diversity provides for an appropriate mix of diversity, skills, experience and expertise required on the Board and assesses the extent to which the required skills are represented on the Board including the criteria for determining qualifications, positive attributes and independence of a Director.

The Company has a Remuneration Policy to evaluate the performance of the members of the Board and the senior management, to ensure remuneration to Directors, KMP and Senior Management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The Independent Directors have complied with the requirements of the Companies Act, 2013 and Regulation 16 (b) of SEBI LODR on their independence. The Company has obtained certification of independence from the Independent Directors in accordance with Section 149(6) of the Companies Act, 2013.

The remuneration details of the Executive and Non-Executive Directors is disclosed in the Corporate Governance report which forms part of the Directors

Report. The above policy has been posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

### 21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans and investments have been disclosed in the financial statements. The Company has not given any guarantees.

### 22. HUMAN RESOURCE MANAGEMENT:

The Company recognizes the need for continuous growth and development of its employees to meet the challenges posed by the industry, besides fulfilling their own career path objectives. Consequently, the role of Human Resources continues to remain vital and strategic to the Company. Employee recruitment, training and development are a key focus area, with policies, processes and extensive use of technology to attract, retain and build on skills of high calibre employees. Industrial relations have continued to be harmonious throughout the year.

### 23. COMPLIANCE WITH THE CODE OF CONDUCT:

The Code of Conduct adopted by the Company for its Board of Directors and Senior Management Personnel has been uploaded on the Company's website at the link <https://www.zodiaconline.com/codes-and-policies>.

The Declaration of the Compliance with the Code of Conduct has been received from all Board members and Senior Managerial Personnel. A certificate to this effect from Mr. S. Y. Noorani, Vice Chairman & Managing Director forms part of this report.

### 24. PUBLIC DEPOSITS:

During the Financial Year 2022-23, the Company did not invite or accept any deposits from the public under the provisions of Section 73 of the Companies Act, 2013.

### 25. COMPANY'S WEBSITE:

The Financial Statements, Annual Report, including Corporate Governance Report, Shareholding Pattern, etc., are displayed inter-se with the other information on the Company's website, viz. [www.zodiaconline.com](http://www.zodiaconline.com).

### 26. DONATIONS:

During the financial year, the Company has, besides CSR, contributed ₹10,00,000/- (Rupees Ten Lakhs only) to various deserving causes.

### 27. INSURANCE:

All the properties/assets, including buildings, furniture/fixtures, etc. and insurable interests of the Company are adequately insured. The international debtors who avail of credit are also insured, despite their flawless record, as a measure of abundant caution.

**28. AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act and the Rules framed thereunder, M/s MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) has been appointed as statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 38<sup>th</sup> AGM till the conclusion of the 43<sup>rd</sup> AGM.

The Auditor's Report to the members for the financial year ended 31<sup>st</sup> March, 2023 does not contain any qualification, reservation, adverse remark or disclaimer.

**29. MAINTENANCE OF COST RECORDS BY THE COMPANY AS SPECIFIED BY THE CENTRAL GOVERNMENT:**

Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. and accordingly, such accounts and records are made and maintained by the Company.

However, in terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit from the F. Y. 2014-15 onwards.

**30. SECRETARIAL AUDIT:**

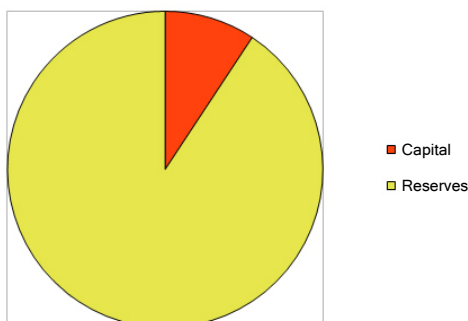
As per Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s. Robert Pavrey & Associates, Company Secretaries (CP No- 2928) to undertake the Secretarial Audit of the Company. The Secretarial Audit report is included as Annexure 2 and forms an integral part of this report.

The Secretarial Audit Report to the members for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

**31. AUDIT COMMITTEE:**

The details pertaining to the composition of Audit Committee are included in the Corporate Governance Report, which forms a part of this report.

**32. DETAILS OF SHAREHOLDERS' FUNDS EMPLOYED FOR THE YEAR 2022-23 CONSOLIDATED:**



**33. RISK MANAGEMENT:**

In line with the regulatory requirements, the Company has a Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. The Risk Management Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**34. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. M J Mange & Associates. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

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.

The Audit Committee members, Statutory Auditors and the Business Heads are periodically apprised of the Internal Audit findings and corrective action taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

**35. POLICY ON PREVENTION OF SEXUAL HARASSMENT :**

The Company has in place an Anti-Sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & the Rules made thereunder. Internal Complaints Committee (ICC) has been set up to redress Complaints received regarding sexual harassment. All employees, permanent, contractual, temporary and trainees are covered under the policy. During the year under review, there were no complaints received under the said Act.

**36. ANNUAL RETURN:**

Pursuant to Section 92(3) read with section 134(3)

(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web-link: <https://www.zodiaconline.com/annual-reports>.

**37. SECRETARIAL STANDARDS:**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meeting.

**38. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The details pertaining to the establishment of Vigil Mechanism/ Whistle Blower Policy is included in the Corporate Governance Report, which forms part of this report.

**39. INVESTOR EDUCATION AND PROTECTION FUND:**

As per the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends and the respective shares thereof for the Financial Year upto 2014-15 have been transferred to the IEPF established by the Central Government within the stipulated time.

**40. FRAUD REPORTING:**

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

**41. PARTICULARS OF EMPLOYEES:**

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2022-23:

Non-executive directors*	Ratio to median remuneration
Mr. A. Y. Noorani	-
Mr. V. M. Apte	-
Mr. Y. P. Trivedi	-
Mr. S. R. Iyer	-
Dr. Naushad Forbes	-
Mr. Bernhard Steinruecke	-
Ms. Elizabeth Jane Hulse	-

**\*Note:**

The Chairman is not paid any remuneration nor sitting fees for attending Board and Committee

Meetings. The Non-Executive Directors of the Company are paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report and are not entitled to any other remuneration.

Executive Director	Ratio to median remuneration
Mr. S. Y. Noorani	-

**Note:**

The ratio to median remuneration is nil for the F.Y. 2022-23 as Mr. S. Y. Noorani has voluntarily chosen to not receive remuneration.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year:

Directors, Chief Financial Officer and Company Secretary*	% Increase in remuneration in the financial year
Mr. V. M. Apte	-
Mr. Y. P. Trivedi	-
Mr. S. R. Iyer	-
Dr. Naushad Forbes	-
Mr. Bernhard Steinruecke	-
Ms. Elizabeth Jane Hulse	-
Mr. A. Y. Noorani	-
Mr. S.Y. Noorani	-
Mr. B. Mahabala (CFO)	-
Mr. Kumar Iyer (CS)	-

**Note:**

\*The Chairman & Vice Chairman were not paid any remuneration nor sitting fees during FY 2022-23 for attending Board and Committee Meetings. The Non-Executive Directors of the Company were paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report and are not entitled to any other remuneration.

- c. The percentage increase in the median remuneration of employees in the financial year: 1.37% (as the median employee is a piece rated worker)
- d. The number of permanent employees on the rolls of Company: 1161 (as on 31<sup>st</sup> March, 2023)
- e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:



There has been no increase in the salaries of the managerial personnel during the FY 2022-23.

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

The Company affirms that the remuneration is as per the remuneration policy of the Company.

- g. Information of top 10 employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2023 is given below:

Sr. No	Name	Date of Birth	Designation	Remuneration* (₹)	Nature of Employment	Qualification and Experience	Date of joining	Last Employment	Percentage of Equity Shares held	Relative of any Director/ Manager of the Company
1	Mr. Salman Yusuf Noorani	15-03-1963	Vice Chairman and Managing Director	Nil	Contractual	B.com/41 years	01-03-1994	-	31.90	Brother of Mr. A.Y. Noorani, Chairman & Non Executive Director
2	Mr. Awais Noorani	08-10-1975	VP – International Sales & Sourcing	46,89,006	Permanent	B.Com, MBA from IMD Switzerland/29 years	01-12-2002	-	0.00	Son of Mr. A.Y. Noorani, Chairman and nephew of Mr. S. Y. Noorani, Vice Chairman and Managing Director
3	Ms. Behroze Daruwala	04-09-1950	VP – Fabrics & Merchandising	46,71,244	Permanent	B.A./ 51 years	30-05-1972	-	0.11	-
4	Mr. B Mahabala	07-11-1951	V.P.Commercial & C.F.O	46,19,164	Permanent	M.com, MBA & Diploma in Cost & Management Accountancy/50 years	15-06-1984	Vulcan Engineers Limited	0.06	-
5	Mr. Imraan Surve	11-10-1968	VP-Marketing Zed, LFS & z3	45,52,332	Permanent	B.A. (Hons.) Economics/ 31 years	18-12-2001	Contract Advertising Pvt. Ltd.	0.02	-
6	Mr. Rajendra Shenoy B	15-06-1965	GM Manufacturing	35,00,177	Permanent	B.Com, M. Com & L.L.B./30 years	16-10-2002	Arvind Mills Limited	0.00	-
7	Mr. Anand Pisharody	19-10-1957	VP - Manufacturing	33,21,851	Permanent	B.A./ 44 years	02-05-1986	Indian Molasses Company Limited	0.00	-
8	Mr. Vikram Puri	29-06-1976	Senior Product Manager	31,16,882	Permanent	B.Sc Physics/27 years	07-05-2002	Cotton Club Inc.	0.00	-
9	Mr. Vishal Chadha	17-11-1964	GM – Sales MBO	30,10,811	Permanent	B.A./ 34 years	22-07-2004	Johnson & Johnson Private Limited	0.01	-
10	Mr. Kumar Iyer	11-06-1964	GM Legal & Company Secretary	29,30,211	Permanent	M. Com, ACS/ 39 years	15-05-2014	Advani Hotels & Resorts (India) Limited	0.00	-
11	Mr. Nafees Azam	07-04-1960	GM – Sales (Retail)	27,54,845	Permanent	B.Com./ 38 years	21-05-2004	Geep Industrial Syndicate Limited	-	-

**Disclosure Requirements:**

As per SEBI LODR, the Corporate Governance Report with the Auditors' Certificate thereon and Management Discussion and Analysis are attached and the same forms a part of this report.

**42. OTHER DISCLOSURES:**

In terms of the applicable provisions of the Act and the SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of the Company;
- it has not issued any shares with differential voting rights;
- it has not issued any sweat equity shares;
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future;

- it has not transferred any amount to the Reserves;
- it has not raised any funds through qualified institutions placement as per Regulation 32(7A) of the SEBI Listing Regulations;
- it does not engage in commodity hedging activities;
- it has not made application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 and
- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.

**43. ACKNOWLEDGEMENT:**

The Directors are grateful for the co-operation, support and assistance received from the customers, shareholders, the Government, other statutory bodies, Banks, Solicitors, Distributors, Suppliers and other business associates during the year.

The Directors also express their sincere appreciation of the employees at all levels for having risen to meet the several challenges encountered and look forward to their valuable support and commitment in the times ahead.

**For and on behalf of the Board of Directors**

**A. Y. NOORANI**

Chairman

DIN: 00041686

Place: Mumbai

Date : 30<sup>th</sup> May, 2023

## ANNUAL REPORT ON CSR ACTIVITIES

**1. A brief outline of the company's CSR policy:**

The Company is committed to doing business with integrity and respect for the world around us. The Company's CSR policy is aimed at forming a dynamic relationship between the Company on the one hand and the society and the environment on the other. The Company has traditionally been driven by a moral obligation and philanthropic spirit and has a heritage of being engaged in such activities since inception. The Company is committed towards sustainability and all business decisions take into account its social and environmental impact.

For years now, the Company has been dedicated to provide quality products and to reduce energy use and increase efficiency. The projects undertaken/ programmes supported by the Company are within the broad framework of Schedule VI of the Companies Act, 2013. During the FY 2022-23, Despite Average Net profit for the purpose of computation of CSR being NIL, the Company has donated ₹52 Lakhs only (Rupees Fifty Two Lakhs only).

**2. The composition of the CSR committee:**

Sl. No	Name of Director	Designation in the Committee	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. V. M. Apte	Chairman	Independent Director	1	1
2.	Mr. A. Y. Noorani	Member	Non Executive - Non Independent Director	1	1
3.	Mr. S. Y. Noorani	Member	Executive Director- Managing Director	1	1

**3. Web-Link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company : <https://www.zodiaconline.com/>****4. Details of executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: 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: Not Applicable**

(a) Average Net Profit of the Company as per section 135(5)	Nil
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	Nil
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
(d) Amount required to be set-off for the financial year, if any.	Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	Nil

**7. (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
₹52 lakhs	NIL	Not Applicable		NIL	Not Applicable

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

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		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	Contribution to Prince Aly Khan Hospital, a Charitable Trust	Item No (i): promoting health care including preventive health care	Yes	Maharashtra	Mumbai	17 Lakhs	Yes	NA	NA
2.	Contribution to Tata Memorial Hospital	Item No (i): promoting health care including preventive health care	Yes	Maharashtra	Mumbai	35 Lakhs	Yes	NA	NA

(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): ₹ 52 Lakhs

(g) Excess amount for set off, if any: NIL

Sr. No.	Particulars	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	₹52 Lakhs
iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
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

**8. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

SI. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year	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 ₹)	Deficiency
					Name of the Fund	Amount (in ₹)	Date of transfer		
1.	2019-20	Not Applicable							
2.	2020-21								
3.	2021-22								
	Total								

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

10. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5): Not Applicable

V. M. Apte

Chairman, CSR Committee

A. Y. Noorani

Chairman

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,  
The Members,  
Zodiac Clothing Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zodiac Clothing Company 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 covering the financial year ended on March 31, 2023 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 ('Act') and rules made thereunder; and
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Other applicable laws:
  - (a) Factories Act, 1948;
  - (b) Industries (Development and Regulation) Act, 1951;
  - (c) Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or on contractual basis;
  - (d) Competition Act, 2002
  - (e) Consumer Protection Act, 2019
  - (f) Environmental Protection Act, 1986
  - (g) The Hazardous Waste (Management & Handling and Transboundary Movement) Rules, 2008.
  - (h) Boilers Act, 1923
  - (i) Gas Cylinders Rules, 2004
  - (j) Standards of Weights & Measures (Enforcement) Act, 1985
  - (k) The Static & Mobile Pressure Vessels (Unfired) Rules, 2018
  - (l) Foreign Trade (Development & Regulation) Act, 1992
  - (m) The Legal Metrology Act, 2009
  - (n) Trademark Act, 1999
  - (o) Copyrights Act, 1957

We have relied on the representations made by the Company, its officers and reports of the statutory auditors for the systems and mechanism framed by the Company for compliances under other Acts, laws and regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

**We further report that**, there were no events/ actions in pursuance of:

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 requiring compliance thereof by the Company during the Audit Period.
- (d) Securities and Exchange Board of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021.

requiring compliance thereof by the Company during the Audit Period.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for the board meeting held on February 6, 2023 which was held at shorter notice by duly obtaining the consents of Board of Directors and a system exists for seeking and obtaining

Date : May 26, 2023  
Place : Mumbai

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the general meetings the number of votes cast against the resolutions has been recorded.

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, there were no specific events which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company obtained consent of Shareholders by way of Special Resolution through annual general meeting/ postal ballot with respect to the following:

- i. Issuance of 12,34,186 equity shares of ₹10 each at premium of ₹87.23 on preferential basis to promoters of the Company.
- ii. Re-appointment of and remuneration payable to Mr. S. Y. Noorani (DIN: 00068423) as the Managing Director of the Company.
- iii. Re-appointment of Dr. Naushad Darius Forbes (DIN: 00630825) aged 62 years, as an Independent Director of the Company.

**For ROBERT PAVREY & ASSOCIATES**  
*Company Secretaries*

**ROBERT PAVREY**  
**Proprietor**  
**FCS: 2928 CP. No. : 1848**  
**UDIN: F002928E000391877**

This report is to be read with Annexure A which forms an integral part of this report.

To,

The Members

Zodiac Clothing Company Limited

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

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For ROBERT PAVREY & ASSOCIATES**  
Company Secretaries

**ROBERT PAVREY**  
Proprietor  
FCS: 2928 CP. No. : 1848  
UDIN: F002928E000391877

Place : Mumbai

Date : May 26, 2023

**Form AOC - 1**  
**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES**  
Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Sl. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate on last day of financial year	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	Zodiac Clothing Co. S.A. - Switzerland	April to March	CHF	₹ 89.821	2,50,000	65,638	3,33,546	3,33,546			(3,642)	-	(3,642)	-	100
2	Zodiac Clothing Co. (U.A.E.) LLC - U.A.E.	April to March	AED	₹ 22.376	3,00,000	1,24,06,331	1,40,05,636	1,40,05,636	2,61,225	15,70,851	(78,470)	-	(16,91,070)	-	100
3	Zodiac Clothing Bangladesh Limited - Bangladesh	April, To March	Taka	₹ 0.76792	5,53,07,400	(38,36,275)	7,52,12,886	7,52,12,886	-	-	(11,45,274)	-	(11,45,274)	-	100
4	Zodiac Clothing Company INC - USA	April, To March	USD	₹ 82.21	NIL	20,293	3,69,650	3,69,650	-	18,01,618	26,350	-	26,350	-	NIL

**Form No. AOC-2**

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

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

<b>1. Details of contracts or arrangements or transactions not at arm's length basis:</b>		
a)	Name(s) of the related party and nature of relationship	NIL  (All contracts or arrangements or transactions with related parties are at arm's length basis)
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

<b>2. Details of material contracts or arrangements or transactions at arm's length basis:</b>		
a)	Name(s) of the related party and nature of relationship	Zodiac Metropolitan Clothing GMBH ("ZMC GMBH").  ZMC GMBH is a company in which Mr. S. Y. Noorani and Mrs. Muna A. Noorani w/o Mr. A. Y. Noorani indirectly holds (through a holding Company) 49% and 51% respectively of the share capital.
b)	Nature of contracts / arrangements / transactions	Exports made in European and U.K. territory.
c)	Duration of the contracts / arrangements / transactions	Recurring Transactions for a duration of five financial years commencing from financial year 2022-23 to financial year 2026-27.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per commercial terms in line with business practices and comparable with unrelated parties
e)	Date(s) of approval by the Board	The Board of Directors approved transactions with ZMC GMBH on 30 <sup>th</sup> May, 2022 and shareholders also approved these transactions in the Annual General Meeting held on 30 <sup>th</sup> September, 2022.
f)	Amount paid as advances, if any	NIL



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2022 - 2023

Corporate Governance is a process that aims to meet stakeholders' aspirations and expectations. It is much more than complying with the legal and regulatory requirements. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures etc. serve as the means for implementing the philosophy of corporate governance. The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended 31<sup>st</sup> March 2023, as per the format prescribed by SEBI and as incorporated in Regulations 17 to 27 along with 34(3) and clause (b) to (i) and (t) of Sub-regulation 46(2) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") are set out below for the information of the members and investors of the Company.

### I. Company's Philosophy on Corporate Governance

At Zodiac, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. Good Governance practices stem from the value system and philosophy of the organization. The Company's endeavor is to follow the spirit of good governance rather than mere compliance with the conditions specified by the regulatory authorities. The Board is collectively responsible for pursuing this purpose. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has formulated, inter alia, various policy documents and introduced best practices of governance. For the Company, Corporate Governance is not a destination but a continuous journey that seeks to provide an enabling environment to harmonize the goals of maximizing stakeholders' value and maintaining a strong customer focus.

### II. Board of Directors

#### Composition of the Board

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31<sup>st</sup> March 2023, the Board of the Company comprised of Eight Directors of which, the Chairman is a Non-Executive Director, Vice Chairman is an Executive Director and six are Independent Directors out of which one is a Woman Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of LODR. The members of the Board are professionals who are senior, competent, richly experienced and highly respected persons in their respective fields.

The composition of the Board, Directorship / Committee positions in other Companies as on 31<sup>st</sup> March, 2023, number of meetings held and attended during the year are as follows:-

Name of the Director	Designation	Category of Directorship	Board Meeting during the year		Attendance at last AGM	Directorship	Directorship and Category of Directorship in other Listed Entities	Committee Memberships in other Public Companies	
			Held	Attended				Member	Chairperson
Mr. Y. P. Trivedi	Non-Executive Director	Independent Director	7	7	Yes	-	None	-	-
Mr. S. R. Iyer	Non-Executive Director	Independent Director	7	7	Yes	-	None	-	-
Mr. Bernhard Steinruecke	Non-Executive Director	Independent Director	7	7	No	-	None	-	-
Dr. Naushad Darius Forbes	Non-Executive Director	Independent Director	7	3	No	4	Bajaj Holdings & Investment Limited-Independent Director Bajaj Finance Limited-Independent Director Bajaj Finserv Limited-Independent Director Bajaj Auto Limited-Independent Director	4	2

Name of the Director	Designation	Category of Directorship	Board Meeting during the year		Attendance at last AGM	Directorship	Directorship and Category of Directorship in other Listed Entities	Committee Memberships in other Public Companies	
			Held	Attended				Member	Chairperson
Mr. V. M. Apte	Non-Executive Director	Independent Director	7	7	Yes	-	None	-	-
Ms. Elizabeth Jane Hulse	Non-Executive Director	Independent Director	7	1	Yes	-	None	-	-
Mr. A. Y. Noorani	Chairman	Promoter & Non Executive Director	7	7	Yes	-	None	-	-
Mr. S. Y. Noorani	Vice Chairman & Managing Director	Promoter & Executive Director	7	6	Yes	-	None	-	-

Notes:

- (1) The Directorship, as mentioned above, do not include Directorship in Zodiac Clothing Company Limited, in Private Limited Companies, Unlisted Public Companies and Foreign Companies.
- (2) In accordance with Regulation 26 (1) of LODR, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (excluding Zodiac Clothing Company Limited) have been considered.

### Board Meetings

The Board Meetings are governed by a structured agenda. The agenda along with the detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision-making. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings. The necessary quorum has been present at all the meetings.

During the Financial Year, a total of seven (7) Board Meetings were held i.e. on 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022, 21<sup>st</sup> December, 2022, 06<sup>th</sup> February, 2023, 14<sup>th</sup> February, 2023 and 27<sup>th</sup> March, 2023.

In compliance with the requirements of Schedule IV of the Companies Act, 2013 read with Regulation 25 of the SEBI LODR, a separate meeting of the Independent Directors of the Company was held on 03<sup>rd</sup> February, 2023 without the attendance of Non Independent Directors and members of the Management of the Company.

### Number of shares and convertible instruments held by Non- Executive Directors

The details of number of shares and convertible instruments held by Non- Executive Directors is provided below:

Name of the Non-Executive Director	Number of Equity Shares Held as on 31 <sup>st</sup> March, 2023
Mr. Anees Yusuf Noorani	35,16,992
Mr. V.M. Apte	2,130
Mr. S. R. Iyer	3,375
Mr. Y. P. Trivedi	23,875
Mr. Bernhard Steinruecke	30,375
Dr. Naushad Forbes	71,714
Ms. Elizabeth Jane Hulse	-

### Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors:

The Board of Directors of the Company possess the requisite skills/expertise/competencies in the context of its businesses to function effectively. The core skills/expertise/competencies that are available with the Directors are as under:

<b>Name of the Director</b>	<b>Designation of the Director</b>	<b>Skills / Expertise</b>
Mr. A. Y. Noorani	Chairman, Non-Executive Director	Industrialist with expertise in developing Clothing business and its overall operations. Presently overseeing the Corporate affairs and Finance function of the Company.
Mr. S. Y. Noorani	Vice Chairman & Managing Director	Industrialist with expertise in setting up and up-gradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.
Mr. V. M. Apte	Non-Executive Independent Director	Industrialist with rich and varied experience in setting up and managing industries and also providing consultancy.
Mr. Bernhard Steinruecke	Non-Executive Independent Director	An eminent Banker with a law background and well versed with International business, banking and finance.
Ms. Elizabeth Jane Hulse	Non-Executive Independent Director	A veteran in Textile Designing and a trained weaver, Fabric Sourcing and Purchasing Brand and Product Management and Buying.
Mr. S. R. Iyer	Non-Executive Independent Director	An eminent Banker with vast knowledge and rich experience in Finance and Banking.
Dr. Naushad Forbes	Non-Executive Independent Director	An eminent industrialist with a doctorate degree in engineering from Stanford University and expertise in steam engineering, energy efficiency, technology and international business.
Mr. Y. P. Trivedi	Non-Executive Independent Director	An eminent lawyer with expertise in direct, indirect taxation and corporate laws.

#### **Familiarization Programme for Board Members**

The Company has put in place a system on an ongoing basis to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates and the business model of the Company. Further the Chairman/Vice Chairman/Managing Director has a one to one discussions with the newly appointed Director to familiarize them with the Company's operations. The familiarization programme for Independent Directors has been posted on the Company's website at [www.zodiaconline.com](http://www.zodiaconline.com) and the web link for the same is <https://www.zodiaconline.com/codes-and-policies>.

#### **Code of Conduct for Board of Directors and Senior Management Personnel**

The Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel ("the Code") as laid down by Regulation 26(3) of LODR. The duties of Independent Directors as laid down in Schedule IV of the

Companies Act, 2013 are suitably incorporated in the Code as required under the Regulation 17 of LODR. The Code has been communicated to the Directors and the Senior Management Personnel. The Code has also been posted on the Company's website at [www.zodiaconline.com](http://www.zodiaconline.com) and the web link for the same is <https://www.zodiaconline.com/codes-and-policies>. All Board members and senior management personnel have confirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2023. The Annual Report contains a declaration to this effect signed by the Vice Chairman & Managing Director.

**Detailed reasons for the resignation of an independent director who resigns before the expiry of his/ her tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

None of the Independent Directors have resigned during the Financial Year 2022-23.

**Disclosure of relationships between Directors inter-se**

Mr. A. Y. Noorani, Chairman and Non-Executive Director and Mr. S. Y. Noorani, Vice Chairman & Managing Director of the Company are brothers. Other than the above, none of the Directors are related to any other Director of the Company.

**Independent Directors' confirmation by the Board:**

All the Independent Directors (ID) have given declaration that they meet the criteria of Independence as laid down under section 149(6) of the Act and Regulation 16(1b) of LODR. In the opinion of the Board, all the IDs, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1b) of the LODR.

**Committees of Board:**

The Company has constituted various Committees of the Board of Directors to focus on critical functions of the Company and also for smooth and efficient business operations viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Forex Committee, and Investment Committee. The Committees meet as and when necessary for deciding various matters and providing directions and authorizations to the management for its implementation.

Details on role and composition of these Committees, including number of meeting held during the F.Y. 2022-23 and the related attendance are provided below:

### **III. Audit Committee**

(a) **Constitution of Audit Committee:**

The members of the Audit Committee as on 31<sup>st</sup> March, 2023 are Mr. S. R. Iyer, Mr. V. M. Apte and Mr. Y. P. Trivedi.

All the members of the Audit Committee are Non-Executive and Independent Directors. All the members possess sound knowledge of accounts, audit, financial management expertise, etc.

Mr. S. R. Iyer is the Chairman of the Audit Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee are in line with Regulation 18 of LODR and Section 177 of the Companies Act 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

(b) **Roles and Powers of the Audit Committee:**

The brief description of the terms of reference of the Committee is as follows:

**Powers**

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

**Roles:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and the auditors report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Approval and Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. To evaluate the internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. 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;
14. Discussing with internal auditors any significant findings and follow up there on;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
23. Such other functions as may be prescribed under the applicable laws and regulations.

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
  - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

(c) Meetings of Audit Committee:

The Meetings of Audit Committee are also attended by the Chairman, Managing Director, CFO, Statutory Auditors and Internal Auditors as special invitees.

During the Financial Year, a total of Eight (8) Audit Committee Meetings were held i.e. on 30<sup>th</sup> May, 2022, 13<sup>th</sup> July, 2022, 12<sup>th</sup> August, 2022, 04<sup>th</sup> October, 2022, 14<sup>th</sup> November, 2022, 28<sup>th</sup> December, 2022, 14<sup>th</sup> February, 2023 and 27<sup>th</sup> March, 2023.

The details of attendance of each member of the Audit Committee is given below:

<b>Name</b>	<b>Designation</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Mr. S. R. Iyer	Chairman	8	8
Mr. Y. P. Trivedi	Member	8	8
Mr. V. M. Apte	Member	8	8

#### **IV. Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2023 are Mr. Y. P. Trivedi, Mr. V. M. Apte and Mr. S. R. Iyer.

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors.

Mr. Y. P. Trivedi is the Chairman of the Nomination and Remuneration Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible to overview the process of evaluation of performance of the Board as a whole, Board Committees and the Directors individually.

The Committee's terms of reference include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
  - 1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

- c. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
  3. Devising a policy on diversity of Board of Directors;
  4. 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 of Directors their appointment and removal;
  5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
  6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the Financial Year One (1) Nomination and Remuneration Committee Meeting was held i.e. on 30<sup>th</sup> May, 2023.

The details of attendance of each member of the Nomination and Remuneration Committee is as follows:

Name	Designation	No. of meetings held	No. of meetings attended
Mr. Y. P. Trivedi	Chairman	1	1
Mr. V. M. Apte	Member	1	1
Mr. S. R. Iyer	Member	1	1

#### V. Performance evaluation criteria for Independent Directors:

Based on the Criteria for evaluating the Performance of the Independent Directors as laid down by the Nomination and Remuneration Committee of the Company, the Performance evaluation of the Independent Directors for the Financial Year has been made by the Board of Directors at their meeting held on 27<sup>th</sup> March, 2023.

As a result, in the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in the LODR and are independent of the management.

#### Remuneration Policy:

##### A. Remuneration to Whole-time Director:

The remuneration payable, if any to the Managing Director is subject to the limits laid down under Section 197 and Schedule V to the Companies Act, 2013, and in accordance with the terms of appointment approved by the members of the Company. The remuneration of the Managing Director is determined by the Nomination & Remuneration Committee. Mr. S. Y. Noorani is entitled to a remuneration consisting of Salary, Company's contribution to Provident Fund, Performance linked Bonus, other perquisites including Company's Car with driver and allowances subject to the same not exceeding the limits as permissible under the Act, applicable from time to time.

The Managing Director is not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

##### B. Executive Director:

#### Details of Remuneration paid to Executive Director for the Financial Year ended 31<sup>st</sup> March, 2023

Particulars	Mr. S. Y. Noorani, Vice Chairman & Managing Director
Term of Appointment	For a period of 3 years from 1 <sup>st</sup> March, 2023 to 28 <sup>th</sup> February, 2026.
Salary	Mr. S. Y. Noorani had voluntarily waived off his remuneration for F.Y. 2022-23 and accordingly, no remuneration has been paid/provided in the books for the F.Y. 2022-23
Commission	-
Minimum Remuneration	In the event of absence or inadequacy of profit under the Act in any financial year, minimum remuneration shall be the same as remuneration paid, subject to the same not exceeding the limits prescribed under the Act.
Service Contract, Notice Period & Severance Fees	The Appointment is contractual and can be terminated by either of the parties by giving six months' notice or six months' salary in lieu thereof.
Stock option	None

### C. Non-Executive Directors:

The Non-Executive Directors, except Mr. A. Y. Noorani, are being paid only sitting fees for attending the meetings of the Board or Committees thereof within the limits prescribed under the Companies Act 2013. Mr. A. Y. Noorani, Chairman and Non-Executive Director has voluntarily agreed to not take any sitting fees for attending any Board or Committee Meetings. Mr. A. Y. Noorani is entitled to a Commission of such amount not exceeding 5% (five percent) of the Net Profits of the Company w.e.f. 1<sup>st</sup> April, 2017 as per the approval of the Members of the Company. The details of the sitting fees paid/payable to the Non-Executive Directors for the Financial Year 2022-23 are as under:

Name of Director	Sitting Fees paid/payable (in ₹)#	Shares held as on 31 <sup>st</sup> March, 2022
Mr. A. Y. Noorani	Nil	35,16,992
Mr. Y. P. Trivedi	7,90,000	23,875
Mr. S. R. Iyer	8,30,000	3,375
Mr. V. M. Apte	8,30,000	2,130
Mr. Bernhard Steinruecke	3,90,000	30,375
Dr. Naushad Darius Forbes	1,70,000	71,714
Ms. Elizabeth Jane Hulse	50,000	-

# The Sitting Fees paid is exclusive of GST paid thereon at the applicable rates.

### D. Pecuniary relationship or transaction

Save and except for the shareholding of the Non-Executive and the Independent Directors (detailed herein above), there is no pecuniary or business relationship between the Non-Executive and the Independent Directors and the Company, except for the sitting fees paid for attending meetings of the Board / Committees as mentioned above.

The Shareholding of Mr. A. Y. Noorani, Non Executive Director is as mentioned above and the related party transactions entered to by him with the company are given in Note No. 44 of the Standalone and Consolidated Financial Statements of the Company.

### VI. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee to monitor and review investors' grievances, share transfers, etc. The members of the Stakeholders' Relationship Committee as on 31<sup>st</sup> March, 2023 are Mr. A. Y. Noorani, Mr. V. M. Apte and Mr. S. Y. Noorani.

Mr. A. Y. Noorani is the Chairman of the Stakeholders Relationship Committee.

Mr. Kumar Iyer, Company Secretary is the Compliance Officer.

During the year, Eighty Nine shareholder complaints were received which were resolved to the satisfaction of the shareholders and reported to the Committee. There were no pending complaints as on 31<sup>st</sup> March, 2023.

During the Financial Year One (1) Stakeholders Relationship Committee Meeting was held i.e. on 30<sup>th</sup> March, 2023.

### VII. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility Committee and The members of the said Committee as on 31<sup>st</sup> March, 2023 are Mr. V. M. Apte, Mr. A. Y. Noorani and Mr. S. Y. Noorani. Mr. V. M. Apte is the Chairman of the Corporate Social Responsibility Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

The Corporate Social Responsibility Committee recommends CSR initiatives and monitors the implementation of the same as per the Corporate Social Responsibility Policy as approved by the Board.

### VIII. Risk Management Committee

The Risk Management Committee is responsible for monitoring and reviewing the risk management plans duly approved by the Board. The members of the Risk Management Committee are Mr. S. R. Iyer, Chairman, Mr. A. Y. Noorani and Mr. S. Y. Noorani.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

During the Financial Year One (1) Risk Management Committee Meeting was held i.e. on 03<sup>rd</sup> February, 2023.



Name	Designation	No. of meetings held	No. of meetings attended
Mr. S. R. Iyer	Chairman	1	1
Mr. A. Y. Noorani	Member	1	1
Mr. S. Y. Noorani	Member	1	1

#### **IX. Forex Committee**

The Forex Committee comprising of Mr. A. Y. Noorani, Chairman, Mr. S. Y. Noorani and Mr. Bernhard Steinruecke, is responsible for overseeing and implementing the Forex Hedging Policy approved by the Board.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

#### **X. Investment Committee**

The Investment Committee comprises of Mr. A. Y. Noorani, Chairman, Mr. S. R. Iyer, and Mr. S. Y. Noorani.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

#### **XI. Subsidiary Companies**

The following are the Company's Subsidiary / Step down Subsidiaries as on 31<sup>st</sup> March, 2023:

1. Zodiac Clothing Company S.A. (Switzerland) - Subsidiary;
2. Zodiac Clothing Company (U.A.E.) LLC - Step Down Subsidiary;
3. Zodiac Clothing Bangladesh Limited (Bangladesh) - Step Down Subsidiary.
4. Zodiac Clothing Company INC (USA) - Step Down Subsidiary

None of the above Companies are material subsidiaries as defined under Regulation 16 (c) of LODR. However, the Company has formulated the material subsidiary policy and uploaded on the website of the Company.

The Audit Committee reviews the financial statements of the subsidiaries, in particular the Investments made, if any, by the subsidiary Companies during every quarter.

The minutes of the Board Meeting of the Subsidiaries are periodically placed before the Board of Directors of the Company. The Management also brings to the attention of the Board periodically, the statement of significant transactions entered into by the subsidiaries, if any.

#### **XII. Directors seeking appointment/ re-appointment**

Mr. S.Y. Noorani, Director retires by rotation at the ensuing 39<sup>th</sup> Annual General Meeting and is eligible for re-appointment.

#### **XIII. Other Disclosures:**

##### **a. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this Regulation.**

The Company has complied with all the mandatory requirements as stipulated in Schedule V of the LODR. The non-mandatory requirement as stipulated in Schedule V of LODR is being reviewed by the Board and adopted to the extent and in manner as stated under the appropriate headings in the Report on Corporate Governance.

##### **b. Related Party Transactions**

All transactions entered into with the related parties as defined under section 188 of the Companies Act 2013 and Regulation 23 and Schedule V of LODR during the Financial Year were in the ordinary course of business and on an arm's length basis. During the year the Company obtained shareholders approval for materially significant transactions with a related party i.e. Zodiac Metropolitan Clothing GMBH. Related Party Transactions have been disclosed under the Note No. 43 of the notes forming part of the financial statements in accordance with Ind AS 24. A statement in summary form of transactions with related parties entered to in the ordinary course of business and on Arm's Length basis is periodically placed before the Audit Committee for review and approval.

As required under Regulation 23 of LODR, the Company has a policy on dealing with related party transactions. The policy is available on the website of the Company.

None of the transactions with related parties were in conflict with the interest of the Company. All transactions are in the normal course of business and have no potential conflict with the interests of the Company at large and are carried out on an arm's length basis.

**c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital market, during the last three years.**

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital market during the last three years.

**d. Code for Prohibition of Insider trading**

In compliance with SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018, the Board of Directors of the Company have adopted a formal 'Code of conduct for Regulating, Monitoring and Reporting of Trading by Insiders' for prevention of Insider trading by the Directors and Designated Employees and their dependents and have also adopted the Procedure for Enquiry in case of Leak/Suspected Leak of Unpublished Price Sensitive Information Policy.

**e. Whistle Blower Policy/Vigil Mechanism**

Pursuant to section 177 (9) & (10) of the Companies Act, 2013 and Regulation 46 of LODR, the Company has a Whistle Blower Policy for Vigil Mechanism for Directors and employees to report to the management about unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the employees of the Company have been denied access to the Audit Committee. The said policy is disclosed on the website of the company viz: <https://www.zodiaconline.com/codes-and-policies>

**f. Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

**g. Web link where policy for determining 'material' subsidiaries is disclosed**

The web link where the policy for determining 'material' subsidiaries is disclosed is <https://www.zodiaconline.com/codes-and-policies>

**h. Web link where policy on dealing with Related Party Transactions**

The web link where the policy on dealing with Related Party Transactions is disclosed is <https://www.zodiaconline.com/codes-and-policies>

**i. Disclosures in relation to the Sexual Harassment of Women at Workplace under (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	Number of complaints disposed off during the Financial Year	Number of complaints pending as on end of the Financial Year
Nil	Nil	Nil

**j. The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent Company has adopted are mentioned below:**

**Discretionary Requirements:**

- The Company maintains a separate office for the Non-Executive Chairman.
- The position of the Chairman and Managing Director are separate.
- The Auditors' Opinion on the Financial Statements are Unmodified.
- The Internal Auditor reports directly to the Audit Committee of the Company.

**k. Details of Total Fees for all services paid by Zodiac and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.**

The total fees paid to the Statutory Auditors are given in Note No. 36(i) to the Standalone Financial Statements.

## I. Shareholder Information

### A) General Body Meeting

#### 1. Details of last three Annual General Meetings held:

FINANCIAL YEAR	DAY & DATE	TIME	VENUE
2019-2020	Monday, December 28, 2020	3.00 p. m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing/other audio visual means)
2020-2021	Wednesday, September 29, 2021	3.00 p.m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing/other audio visual means)
2021-2022	Friday, September 30, 2022	3.00 p.m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing/other audio visual means)

#### 2. Whether any Special Resolutions were passed in the previous three AGMs:

**36<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> August, 2020:** At this meeting the following Two Special Resolutions were passed:

- Re-Appointment of Ms. Elizabeth Jane Hulse (DIN: 07094093) as an Independent Director of the Company.
- Issue of 22,81,854 Equity Shares of ₹10 each at premium of ₹ 99.56 to Promoter on Preferential basis.

**37<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021:** At this meeting the following One Special Resolution was passed:

- Approval of material related party transaction limits with Zodiac Metropolitan Clothing GMBH.

**38<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022:** At this meeting the following Two Special Resolutions was passed:

- Re-appointment of Mr. S. Y. Noorani (DIN: 00068423) as the Managing Director of the Company and approval of the remuneration payable to him.
- Re-appointment of Dr. Naushad Darius Forbes (DIN: 00630825) aged 62 years, as an Independent Director of the Company.

#### Extra- Ordinary General Meeting:

There was no Extra Ordinary General Meeting held during the F.Y. 2022-23.

#### c) Postal Ballot :

##### Whether any special resolution passed through postal ballot:

During the year, the Company has sought the approval of members through postal ballot via remote e-voting for the following special resolution:

Sr. No.	Date of Postal Ballot Notice	Date of Declaration of Postal Ballot Results*	Particulars	Votes in favour of the resolution		Votes against the resolution	
				No. of votes	% to total votes	No. of votes	% to total votes
1.	Friday, 06 <sup>th</sup> January, 2023	Monday, 06 <sup>th</sup> February, 2023	Issue of Equity Shares on preferential basis to promoters of the Company and matters related therewith	16914440	99.9854 %	2472	0.146%

\* The Voting Results along with Scrutinizer Report has been displayed at the Registered Office of the Company and on the websites of the Company and the Stock Exchanges viz. [www.zodiaconline.com](http://www.zodiaconline.com), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

**d) Person who conducted the postal ballot exercise:**

The Company had appointed Mr. B Narasimhan, Proprietor B. N. & Associates, a Practicing Company Secretary, Membership No. FCS 1303 and C.P. No. 10440 as the scrutinizer for conducting Postal Ballot through e-voting process in a fair and transparent manner.

**(e) Whether any special resolution is proposed to be conducted through postal ballot:**

Special Resolution to be passed at the ensuing Annual General Meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

**(f) Procedure for postal ballot:**

The procedure for postal ballot is as per the provisions contained in this behalf in the Companies Act, 2013 and rules made thereunder namely The Companies (Management and Administration) Rules, 2014 as amended from time to time read with circulars issued by Ministry of Corporate Affairs.

**XIV. Means of Communication:**

a. Quarterly Results:

Published in the newspapers in terms of Regulation 33 of LODR.

b. Newspapers in which results are normally published in:

i. Business Standard (English Newspaper All India Edition).

ii. Lokmat (Marathi Newspaper - Mumbai Edition)

c. The Company's financial results and official press releases are displayed on the Company's website: [www.zodiaconline.com](http://www.zodiaconline.com)

d. Any presentation made to the Investors and analysts are also posted on the Company's website viz. [www.zodiaconline.com](http://www.zodiaconline.com)

e. During the year under review, no presentations were made to analysts.

**XV. General Shareholder Information**

**a. Annual General Meeting for the financial year 2022-23:**

Day & Date	Time	Venue
Friday, 29 <sup>th</sup> September, 2023	3.00 p.m.	Annual General Meeting through Video Conference/Other Audio-Visual Means  (Deemed Venue for meeting - Nyloc House, 254, D2, Dr. Annie Besant Road, Mumbai - 400030.)

**b) Financial Year 2023 - 2024 (tentative) Schedule of the Board Meetings:**

First Quarter ended 30th June 2023	: On or before 14 <sup>th</sup> August, 2023
Second Quarter ended 30th September 2023	: On or before 14 <sup>th</sup> November, 2023
Third Quarter ended 31st December 2023	: On or before 14 <sup>th</sup> February, 2024
Fourth Quarter ended 31st March 2024	: On or before 30 <sup>th</sup> May, 2024

**c. Dates of Book Closure:**

Wednesday, 20<sup>th</sup> September, 2023 to Friday, 29<sup>th</sup> September, 2023

**d. Dividend payment date:**

The Board has not recommended any Dividend for the year under consideration.

**e) Disclosure of details of Unclaimed Shares (under Schedule V of LODR):**

In terms of Schedule V of LODR, the details of the Unclaimed Shares lying in the Unclaimed Share Suspense Account are as follows:

**f) Disclosure of details of Unclaimed Shares (under Schedule V of LODR):**

In terms of Schedule V of LODR, the details of the Unclaimed Shares lying in the Unclaimed Share Suspense Account are as follows:

Sr.No.	Particulars	No. of Shareholders	No. of Equity Shares
i	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 1 <sup>st</sup> April, 2022	9	1750
ii	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Shares Suspense Account during the year	0	0
iii	Number of shareholders to whom the shares were transferred from the Unclaimed Shares Suspense Account during the year	0	0
iv	Shares credited to the IEPF suspense account in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 published on 5 <sup>th</sup> September, 2016,	1	150
v	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 31 <sup>st</sup> March, 2023, whose voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	8	1600

**g) Listing on Stock Exchanges:**

The Equity Shares of the Company continue to be listed at the following Stock Exchanges: -

**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

**National Stock Exchange of India Ltd.**

Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051.

**Note:**

Listing Fees have been paid to the aforesaid Stock Exchanges upto the year 2023-2024.

**h) Stock Code / Symbol:**

BSE Limited	:	521163
National Stock Exchange of India Limited	:	ZODIACLOTH
ISIN	:	INE206B01013

**i) Suspension from trading:**

None of the Security/ies of the Company have been suspended from trading on any of the Stock Exchanges.

**j) Dematerialisation of equity shares:**

99.80 % of the total equity share capital are in dematerialised form with NSDL and CDSL.

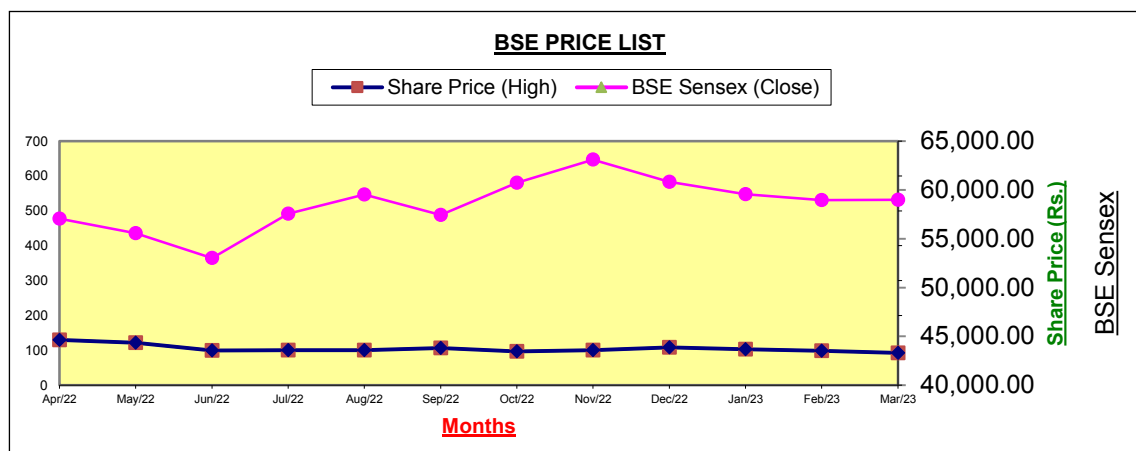
**h. Market Price:**

The monthly high & low quotations of the Company's shares traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2022-2023 are as under:

Months	BSE Limited		NSE India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	129.90	100.95	126.00	101.05
May 2022	121.50	92.15	122.00	92.15
June 2022	99.60	78.95	100.65	78.40
July 2022	100.25	78.55	99.00	78.05
August 2022	100.30	87.75	99.75	90.20
September 2022	107.00	90.15	107.10	90.05
October 2022	96.90	90.05	96.90	91.20
November 2022	100.00	88.35	99.80	88.15
December 2022	108.00	89.15	108.20	88.80
January 2023	102.70	92.75	102.95	92.50
February 2023	99.00	90.30	97.90	90.25
March 2023	92.55	80.00	94.40	79.00

Performance in comparison to broad based indices:

**ZODIAC vs BSE SENSEX**



**l) Registrar & Share Transfer Agents**

KFin Technologies Limited  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032, Telangana.  
Toll Free no.: 1800-309-4001

**m) Share Transfer System**

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders

holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations 2015. The certificate was duly filed with the Stock Exchanges. The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the issue of duplicate share certificates and attend to Shareholders' grievances, etc.

**n) Distribution of shareholding as on 31<sup>st</sup> March, 2023**

<b>ZODIAC CLOTHING COMPANY LIMITED</b>					
<b>Distribution of Shareholding as on 31/03/2023</b>					
Sr. No	Category (Shares)	No.of Shareholders	Percentage (%)	No.of Shares	% To Equity
1	1 - 5000	7801	86.77	8,96,218	3.45
2	5001 - 10000	507	5.64	4,18,059	1.61
3	10001 - 20000	300	3.34	4,66,397	1.79
4	20001 – 30000	103	1.15	2,58,340	0.99
5	30001 - 40000	69	0.77	2,49,840	0.96
6	40001 - 50000	45	0.50	2,15,188	0.83
7	50001 - 100000	81	0.90	5,90,600	2.27
8	100001 and above	84	0.93	2,28,99,075	88.09
	<b>TOTAL:</b>	<b>8,990</b>	<b>100</b>	<b>2,59,93,717</b>	<b>100</b>

**o) Shareholding Pattern as on 31<sup>st</sup> March, 2023**

Sr. No	Particulars	Total Number of Shares	Percentage of Holding
(I)	(II)	(IV)	(VI)
<b>(A)</b>	<b>PROMOTER HOLDING</b>		
(1)	INDIAN	85,33,901	32.83
(2)	FOREIGN	1,00,26,831	38.57
	<b>TOTAL (A)</b>	<b>1,85,60,732</b>	<b>71.4</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>		
(1)	INSTITUTIONS	0	0.00
(2)	NON-INSTITUTIONS	74,32,985	28.60
	<b>TOTAL (B)</b>	<b>74,32,985</b>	<b>28.60</b>
	<b>GRAND TOTAL (A+B) :</b>	<b>2,59,93,717</b>	<b>100.00</b>

**p) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity.**

None

**q) foreign exchange risk and hedging activities.**

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed. For full details Refer note no. 46 of the standalone financial statements of the Company

**r) The Details of Utilization of funds raised through Preferential Allotment as specified under Regulation 32 (7A) of LODR as on 31<sup>st</sup> March, 2023 is as below:**

Sr. no.	Particulars	Amount Received
1.	Amount received on issue of 12,34,186 equity shares of Rs. 10 each @ premium of ₹ 87.23 on 18 <sup>th</sup> February, 2023.	₹ 11,99,99,904.78
2.	<b>TOTAL AMOUNT RECEIVED</b>	₹11,99,99,904.78
3.	Amount used towards working capital requirements	NIL
4.	Balance unused amount invested in liquid fund/s (rounded off)	₹11,99,99,904.78

**n) Credit Rating**

The information pertaining to credit rating and changes therein during the year is as follows:

Facilities/Instruments	Date	Rating	Rating Action
Long term Bank Facilities	22 <sup>nd</sup> September, 2022	CARE BB+; Stable (Double B Plus; Outlook: Stable)	Reaffirmed; Outlook revised from positive

**o) Liquidity**

The Company's Equity Shares are traded on Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited.

**p) Plant Location**

**(I) Bangalore: –**

1. Near Bangalore Cross, Air Force Station, P.O.Yelahanka, Bangalore - 560 063.
2. No. 107 & 108, 4<sup>th</sup> 'C' Cross, 5<sup>th</sup> Block, Koramangala Industrial Layout, Bangalore - 560 095
3. No. 9B, 2<sup>nd</sup> Phase, Bommasandra Industrial Area, Hebbatgudi Village, Anekal Taluka Bangalore - 560 099

**(II) Gujarat: –**

1. A-1, 181 / 1, GIDC, Umbergaon, Valsad, Gujarat: 396171.
2. C-2 / 7, GIDC Industrial Area, Umbergaon, Valsad, Gujarat - 396 171.
3. Plot no. 411, Phase III, GIDC, Umbergaon, Valsad,Gujarat- 396171.



**v) Address for Correspondence:**

**For Shares held in Physical form:**

KFin Technologies Limited  
Selenium Tower B, Plot 31 & 32, Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad - 500 032, Telangana.  
Toll Free no.: 1800-309-4001  
Email: shyam.kumar@kfintech.com  
Website: www.kfintech.com

**For Shares held in Demat Form:**

Investor's concerned Depository Participant(s) and/ or KFin Technologies Limited

**For General Correspondence write to:**

Mr. Kumar Iyer  
G.M. Legal & Company Secretary  
Zodiac Clothing Company Limited  
Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai 400 030.  
e-mail: cosecy@zodiacmtc.com

**w) Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:**

The Board has accepted all the recommendations by various committees of the Board during the financial year 31<sup>st</sup> March, 2023.

**x) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

During the FY 2022-23, the Company has not granted any Loans and advances in the nature of loans to firms/ companies in which directors are interested.

**y) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

During the FY 2022-23, the Company does not have a material subsidiary.

**z) Certificate from Company Secretary in Practice on Debarment or Disqualification of Directors**

As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing to act as director of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority is attached as Annexure A to this Report.

Place: Mumbai

Date: 30<sup>th</sup> May, 2023

**A. Y. Noorani**

Chairman

## CEO AND CFO CERTIFICATION UNDER REGULATION 17(8) OF LODR

We, S. Y. Noorani, Vice Chairman & Managing Director and B. Mahabala, Chief Financial Officer (CFO) to the best of our knowledge and belief, certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 of Zodiac Clothing Co. Ltd., and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining Internal Controls for the Financial Reporting and that we have evaluated the effectiveness of the Internal Control system of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) significant changes in Internal Control over Financial Reporting during the year;
  - (2) significant changes in accounting policies during the year if any, and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud, if any, of which we have become aware and the Involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

**S. Y. NOORANI**  
Vice Chairman & Managing Director  
DIN: 00068423

**B. MAHABALA**  
Chief Financial Officer (CFO)

Place : Mumbai  
Date : 30<sup>th</sup> May, 2023

### Annual Declaration by the Vice Chairman & Managing Director

I do hereby declare that pursuant to Schedule V (D) read with the Regulation 34 (3) of the SEBI LODR, all Board members and senior management personnel of the Company have affirmed with the Code of Conduct and Ethics for the year ended 31<sup>st</sup> March, 2023.

**S.Y. NOORANI**  
Vice Chairman & Managing Director  
DIN: 00068423

## **Independent Auditors' Certificate on Corporate Governance**

### **To the Members of Zodiac Clothing Company Limited**

We, the Statutory Auditors of Zodiac Clothing Company Limited (the 'Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2023 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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.

#### **Opinion**

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2023, as applicable.

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.

#### **For MSKA & Associates**

Chartered Accountants

Firm Registration No. 105047W

#### **Ankush Agrawal**

Partner

Membership No.159694

UDIN: 23159694BGXIRC6683

Place: Mumbai

Date: May 30, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
Zodiac Clothing Company Limited  
Nyloc House 254, D-2,  
Dr. Annie Besant Road, Worli  
Mumbai 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Zodiac Clothing Company Limited having CIN L17100MH1984PLC033143 and having registered office at Nyloc House 254, D-2, Dr. Annie Besant Road, Worli Mumbai 400030 Maharashtra, India (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 our opinion and to the best of our information and according to the verifications (including Director's Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the directors on the board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 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 in Company
1.	Yogendra Premkrishna Trivedi	00001879	29/01/2000
2.	Vaman Madhav Apte	00003651	13/08/2019
3.	Anees Yusuf Noorani	00041686	14/06/1984
4.	Salman Yusuf Noorani	00068423	31/01/2009
5.	Subramaniam Ramachandran Iyer	00580437	22/06/2002
6.	Naushad Darius Forbes	00630825	29/03/2018
7.	Bernhard Steinruecke	01122939	28/11/1997
8.	Elizabeth Jane Hulse	07094093	11/02/2015

Ensuring the eligibility of for the appointment/continuity of every director on the board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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 ROBERT PAVREY & ASSOCIATES**  
Company Secretaries

Place: Mumbai  
Dated: May 26, 2023

**ROBERT PAVREY**  
**Proprietor**  
**FCS 2928 CP. No. : 1848**  
**UDIN: F002928E000391791**

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. OVERVIEW:

The financial year 2022-23 was a mixed bag for the global economy: on the one hand, economic growth sustained reasonably well as pent-up demand, strong household balance sheets and low unemployment kept consumption steady. On the other, the world experienced significant challenges such as the war in Ukraine, persistent inflation, supply chain disruptions, sustained rate hikes by central banks, bank failures in the US and Europe, etc. As per the IMF's World Economic Outlook (WEO) released in April 2023, global growth for 2023 at 2.8% is likely to be followed by the medium-term growth plateauing at 3%. Efforts by central banks across the world are targeting a reduction of headline inflation from 7.3% to 4.7% in 2023 among Advanced Economies (AE's) and from 9.8% to 8.6% among Emerging Market and Developing Economies (EMDE's). Within this group, growth in Emerging & Developing Asia is projected to accelerate meaningfully.

Going forward, Central banks continue to face a challenging tradeoff between restoring price stability and maintaining growth in an environment of heightened uncertainty.

As per the initial estimates by the National Statistical Office, India's GDP is expected to grow between 6% to 7% in 2023-24 as it continues to recover from the pandemic-related disruptions, depending on the trajectory of economic and political developments globally. Going forward, growth may moderate, as the external sector remains vulnerable to continued global liquidity tightening and may offset potential strong domestic demand growth. Notwithstanding, the IMF projects that India will remain the fastest-growing major economy in the world.

India's overall exports during FY 2022-23 grew at 13.84% to USD 770.18 billion, with Merchandise exports growing at 6.03% to USD 447.46 billion and Services exports growing at 26.79% to USD 322.72 billion. The Indian government has set an ambitious target of hitting USD 2 trillion annually in exports by 2030, aided by growth in value added manufactured products and services. To this end, commendably, the government is undertaking a slew of measures, including the promoting of Make in India, Production Linked Incentives (PLI) scheme, modifying foreign trade policy, extending Emergency Credit Linked Guarantee Scheme, etc. These policies, coupled with the global drive to reduce the dependence of supply chains on China ("China plus one strategy") are expected to aid the growth of the manufacturing sector.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENT:

The size of the Global clothing market declined from US\$1.58 trillion in 2019 to US\$1.4 trillion in 2020 before recovering to US\$1.55 trillion in 2021 and to 1.74 trillion in 2023. It is projected to reach US\$ 1.84 trillion in 2025.

India is among the world's largest producers of Textiles and Clothing. The domestic clothing & textile industry in India contributes approx. 2% to the country's GDP and 7% of industry output in value terms. It is a sector of national importance from an employment standpoint as it provides

direct and indirect gender-sensitive employment for millions of people. However, with increasing competition, changing consumer preferences, and technological disruptions, the industry faces both opportunities and challenges.

India shipped clothing worth \$14.8 billion in 2022, with US being the top market accounting for ~36% of India's exports at \$5.3 billion with EU and UK continuing to be the other major textile and clothing export destinations for India, together accounting for ~50% of exports.

The overall clothing segment size in FY 2020 was estimated to be USD 67 bn. The market is projected to grow and reach USD 107 bn by FY 2025, driven by higher discretionary spend, better access and availability of products, increasing urbanization and digitization in India, and recovery globally.

India has recently signed Free Trade Agreements (FTAs) with UAE and Australia which are large markets for textile and clothing. India also has trade agreements with Japan and South Korea that have not been harvested to potential. India must pursue the opportunities these markets offer. The FTAs under negotiation with key markets like the EU, UK, Canada and the agreement under discussion with the US would offer significant growth if and when they are finalized, bearing in mind that China is ceding ground.

### 3. (A) OPPORTUNITIES

The global Textile and Clothing trade has gone through a lot of turbulence in the last decade. Despite challenges, the trade has continued to grow over the years. Global trade accounted for US\$871 billion in 2021 growing at 3.2% CAGR since 2010. Categorical break-up of the trade shows that clothing has the largest share of 57% constituting US\$494 billion. Despite several headwinds in global trade, the long-term scenario remains positive as economies are expected to rebound once the challenges are contained. The global Textile and Clothing trade is expected to reach US\$1200 billion by 2030 growing at 3.6% CAGR.

The clothing industry in India has despite hiccups, seen steady but modest growth over the years, and with the right strategies in place, could gain lost ground in 2023 and beyond. The industry can take advantage of several opportunities that will contribute to its growth and success. The industry is expected to benefit from extension of the scheme for Rebate of State and Central Taxes and Levies (RoSCTL) till March 31, 2024.

With the changing global geopolitical scenario, buyers are seeking to de-risk their sourcing footprint by reducing their dependence on a single country, namely China, which has been the dominant supplier of textiles and clothing over the past decades. While China will continue to play a significant role in the trade dynamics, buyers are now looking at other options across categories. India stands to gain from this shift, which presents a huge opportunity.

The consumption categories such as fashion and clothing, food and FMCG, and beauty and personal care are expected to have a higher share in India's online retail pie

by 2025, according to a report by the Boston Consulting Group and Matrix Partners. The pandemic is estimated to have accelerated digital penetration, and e-commerce is expected to reach a total of 350 to 400 million online shoppers, spending \$150 billion by 2025. Consequently, e-commerce is another opportunity that cannot be ignored. With more consumers turning to online shopping, it is imperative that clothing companies establish a strong digital presence. At 25%, the fashion and clothing category is expected to have the highest share of estimated overall online retail spends.

Furthermore, as global fashion trends continue to evolve, there is an increased demand for sustainable and eco-friendly clothing, guiding the direction in which Indian manufacturers need to strengthen their offerings. ZODIAC has been a pioneer in sustainability among players in the industry. Our manufacturing plants are GOTS certified for organic cotton. The company's facilities are carefully engineered to minimise water consumption and further carries out rain-water harvesting, making us water positive. Our manufacturing plants comply with norms for zero discharge of hazardous chemicals into the environment. Custom designed and built equipment reduces our energy usage and carbon footprint, helping us score 100/100 for energy conservation on the HIGG Index. Further, our head office is a LEED Gold certified building.

Domestically, factors like education, urbanization, nuclear families, influence of social media, disposable incomes should continue to drive increased consumption, even as greater fashion and brand consciousness drive consumer up-trading.

The company is confident that its in-house manufacturing and robust distribution chain will ensure adequate supply to meet increased demand and lead to growth in our branded business.

#### **(B) THREATS:**

The clothing industry in India has been facing many challenges in recent years. As we look ahead to 2024, some threats that could impact the sector include rising production and delivery costs, and greater competition from new domestic entrants (e-commerce and bespoke offerings) as well as international brands. India's clothing industry is facing an acute blockage of funds in GST refunds to exporters, as well as to domestic players. The business-friendly government is strongly urged to resolve the situation, which is impeding growth. The rising cost of funds is another major threat.

Changing trends and consumer preferences will also require companies to be agile and adaptable in their approach. Established brands must find ways to remain relevant in the face of disruption by newer entrants.

High inflationary conditions and recessionary trends in key markets of US and EU had kept the textile and clothing demand subdued in 2022, especially the latter half. Volume growth in most of the markets remained in negative to nil zone, with market size increase happening due to higher prices.

The year 2022 was marked with unprecedented raw material price volatility. The daily Cotlook index reported highest value of 173 in May (highest value in more than a decade), which then almost halved down to 89 in November. Manmade fibre price variation during the year also remained high, although not as sharp as cotton. This volatility could present a threat in the future as well.

China continued to lose its share in global clothing exports because of rising cost of manufacturing, focusing on the demand within China and geopolitical shifts outlined above. Bangladesh, Cambodia and Vietnam have emerged as the highest gainers of China's lost share, which rightfully belonged to India, by successfully negotiating favourable tariff for import of their clothing. India needs to neutralise the tariff disadvantage post haste.

In March 2022, the European Commission published "EU Strategy for Sustainable and Circular Textiles" with a vision to produce, distribute and consume textile and clothing products sustainably by 2030. The alignment with this legislation will be important for manufacturers and brands alike, to keep up and stay competitive. The path to compliance will present a major challenge.

Overall, it is crucial for players in the Indian clothing industry to stay alert and proactive in addressing the challenge. By doing so, they can ensure their continued success and growth even amidst uncertain times.

#### **4. SEGMENT / PRODUCT WISE PERFORMANCE:**

The Company is exclusively engaged in the business of clothing and clothing accessories and in the context of the Indian Accounting Standard (Ind AS 108) constitutes one single operating segment. The Company's three segment leading brands Zodiac, Zod and z3 are well established and cater to diverse customer needs.

The geographical segment is identified and given below:

Year Ended 31<sup>st</sup> March, 2023 - On a Consolidated Basis  
(Unit: ₹ lakhs)

Particulars	India	Rest of the World	Total
Segment Revenue (Net)	6190.09	11290.78	17480.87
Carrying Cost of Segment Non Current Asset	12854.82	699.50	13554.32

#### **5. OUTLOOK:**

The global economy is gradually recovering from the impact of pandemic and simultaneously faces new challenges discussed above. Despite monetary tightening, inflation is persistent in many key economies and it is anticipated that global headline inflation will remain elevated, albeit fall from present levels. Inflation is unlikely to return to target levels before 2025 in most cases leading to an expectation

that rates will remain high until inflation is in check. The increasing cost of funds and blockage of funds in GST refunds is a major concern.

Despite facing formidable challenges, India stands tall and steadfast and has emerged as a beacon of resilience in the global economy, thanks to the proactive steps taken by our government. The IMF's bi-annual report observed that India's headline retail inflation is expected to ease from 6.7 per cent in the previous year to 4.9 per cent in 2023-24. This is a clear indication of India's economic strength.

The IMF also praised India's efforts in leveraging digitalization to overcome the challenges posed by the pandemic, which have not only helped the country weather the storm but also created new opportunities for growth and employment.

In this turbulent global economic environment, India has experienced macroeconomic and financial stability. This is attributable to sound macroeconomic policies and the innate resilience of the economy which have fortified it against recurring global shocks.

With monetary tightening, the US dollar has appreciated against several currencies, including the rupee. However, the rupee has been one of the better-performing currencies worldwide, but the modest depreciation it underwent (taken together with higher commodity prices) may have added to the domestic inflationary pressures besides widening the Current Account Deficit (CAD).

In anticipation of growing demand and to mitigate the challenge of higher trade barriers in India the Company is working to commission a new production facility in Bangladesh and expects to commence production by the end of the calendar year.

## 6. RISKS AND CONCERNS:

The Company has identified key risks to include fluctuation in raw material prices, weak demand, increased global and local competition, currency fluctuations and sales channel disruptions. In addition, regulatory risks include changes in taxation regime, government policies with respect to textiles and clothing, pollution control, industrial relations issues & failure to comply with regulatory provisions. Rising interest rates and unwarranted blockage of funds in GST refunds are another significant risk. A Company-wide awareness of risk management policies and practices is being inculcated to mitigate the adverse effect of foreseeable risks on the operating results.

## 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control systems, which are supplemented by an exhaustive internal audit (by an independent audit firm reporting directly to the Audit Committee), which is regularly subjected to in-depth involvement of the management. Internal Audit covers the various functions, processes and other activities, including own retail operations of the Company. Transactions are authorised, recorded and reported accurately and subjected to audit as well. The system of internal controls also ensures

that all assets are safeguarded, insured and protected against loss. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information. The reports presented by internal auditors are reviewed by the audit committee on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. The committee maintains constant dialogue with statutory and internal auditors to make sure that internal control systems are operating effectively.

## 8. COMPANY'S FINANCIAL PERFORMANCE:

(₹ in lakhs)

	2022 - 23	2021 - 22
Total Revenue from Operations (Net)	16,900	12,824
PROFIT/(LOSS) BEFORE TAXATION	1,516	(884)
Provision for Taxation:		
Current Tax	-	113
Deferred tax Charge/(Credit)	(64)	(23)
Tax in respect of earlier years	1	14
PROFIT/(LOSS) AFTER TAXATION	1,579	(988)
Other Comprehensive Income / (Loss)	420	580
Total Comprehensive Income / (Loss) for the year	1,999	(408)

### Operational Revenue & Profits:

EBIDTA decreased in March, 2021 due to the continuing impact of the pandemic. In March, 2022 EBIDTA improved due to partial opening of markets after pandemic and decreased in March, 2023 due to continued challenges arising out of the volatile macro economic environment, supply chain disruptions and geopolitical unrest. Despite this the Company remained focused on executing its strategic roadmap, reducing expenses and building on the foundations that we have laid to spur our future growth.

We are opening 16 new stores which will become functional by 1<sup>st</sup> week of November, 2023 and a further 16 stores will become operational by 1<sup>st</sup> week of January, 2024, funded by existing liquidity.

We observe very healthy demand for our products through Digital Marketing, and in this direction, have engaged an internationally recognised entity to assist in improving sales through this channel substantially.

Internationally, we expect our revenue to further improve after the commencement of manufacturing activities at our Bangladesh unit (expected before the end of the calendar year).

All this should result in increased EBIDTA, going forward.

### **During the Year:**

The Company is in compliance with the Code of Conduct for Prevention of Insider Trading formulated in terms of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

During the year 9 new Stores were opened (25 unviable stores closed - a net decrease 16 stores) with 86 stores at the end of the year.

### **9. HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATIONS:**

The Company recognizes the need of continuous growth and development of its employees to meet the challenges posed by a rapidly growing consumer facing organization, besides fulfilling their own career path objectives. Consequently, the role of Human Resources continues to remain vital and strategic to the Company.

The Company considers its employees as the most important asset and integral to its competitive position. It has a well-designed HR policy that promotes a conducive work environment, inclusive growth, equal opportunities and competitiveness and aligns employees' goals with the organisation's growth vision. Its human resource division plays a crucial role to build a strong and talented workforce. It provides opportunities for professional and personal development and implements comprehensive employee engagement and development programmes to enhance the productivity and skills of its employees.

Most importantly, it places great emphasis on eliminating all forms of discrimination in terms of employment and professional activities (gender, age, race, political affiliation, religion, among others). It pays special attention to professional equality, gender equality, the employment of seniors and young people, the employment of people with disabilities.

Talent and culture are among the key building blocks in shaping us into a resilient and sustainable organization. We will continue to focus on defined strategic areas to leverage the potential of our human capital. As of 31<sup>st</sup> March, 2023, the Company's strength stood at 1161 employees.

### **10. STANDALONE KEY FINANCIAL RATIOS:**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>Explanation of Y-O-Y variance higher than 25%</b>
Debtors Turnover Ratio	9.39	6.89	The Change in ratio compared to previous year is due to increase in sales and decline in Trade receivables.
Inventory Turnover Ratio	1.10	0.79	The Change in ratio compared to previous year is due to increase in sale and focus of management on reducing the inventory levels.
Interest Coverage Ratio	5.77	2.53	The change is due to increase in EBITDA compared to previous year.

Current Ratio	1.92	1.36	The Change in ratio compared to previous year is due to increase in Current assets and decrease in Current liabilities.
Debt Equity Ratio	0.25	0.33	-
Operating Profit Margin	55.64%	55.73 %	-
Net Profit Margin	8.95 %	(6.15)%	The Change in ratio compared to previous year is due to increase in profit for the year.
Return on Net Worth	16.00%	7.00%	The change is due to increase in EBITDA compared to previous year.

### **11. CAUTIONARY STATEMENT:**

Statements in the report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those express or implied. Important factors that could make a difference to the Company's operation include global demand-supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations and tax structure, economic development within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations in India, trade agreements, especially with the EU and the US.

The Company assumes no responsibility in respect of forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, Information or events.

Place: Mumbai

Date: 30<sup>th</sup> May, 2023

**A. Y. Noorani**

Chairman



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## WHY ZODIAC MAKES THE BEST SHIRTS

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# A MASTERCLASS FOR THE DISCERNING FEW, WHO DEMAND ONLY THE BEST

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## Almost Invisible Stitching

An unmatched 21 stitches per inch for an almost invisible stitch line and maximum strength. Our buttonholes get 120 stitches per inch – almost double the industry standard.

## Signature Trinity Buttons

Our premium range of shirts come with our trademark genuine Mother-Of-Pearl, 3-hole “Trinity” buttons.

## Choice Of Cuffs

We offer single and double cuffs, both detailed with the finest German interlinings. All our single cuff shirts come with 2 buttonholes to enable the use of cufflinks.

## Range Of Collars

We offer Kent, Cutaway, Contrast, Button Down and the stylish Mandarin or Band collar as options.

## Superior Fit

We offer 3 fits to suit diverse body types - Classic, Tailored and Slim.

## Only The Finest Fabrics

We offer shirts in the finest, long staple, 2-ply Mercerized cotton, “Silk Touch” Giza 86 cotton and pure linen woven from French flax.

# Z O D I A C

FINEST QUALITY CLOTHING

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## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

#### Report on the audit of the Standalone financial statements

##### Opinion

We have audited the accompanying standalone financial statements of **Zodiac Clothing Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
1.	<p><b>Recoverability of deferred tax assets</b> (Refer Note 38 to the Standalone Financial Statements)</p> <p>At March 31, 2023, net deferred tax assets recognised were ₹1,564.88 lakhs. The deferred tax assets recognized includes carry forward losses and unabsorbed depreciation of ₹1,721.59 lakhs. The recognition of deferred tax assets involves judgement regarding the likelihood of the realization of these assets, in particular whether there will be sufficient taxable profits in future periods that support the recognition of these assets. We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of projected future taxable income considering the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer. The Management has also engaged tax expert to assess utilization of available tax benefits in accordance with prevailing taxation laws</p>	<p>We have performed audit procedures including the following:</p> <ul style="list-style-type: none"> <li>• We have obtained understanding and evaluated the design and implementation of the control relating to recognition, measurement and assessment of recoverability of deferred tax assets.</li> <li>• Reviewed the Company's accounting policy in respect of recognizing deferred tax asset on temporary differences.</li> <li>• Evaluated the judgements and assumptions made by the Management in determining the projected future financial projections for sufficiency of taxable income.</li> <li>• Checked the mathematical accuracy of the underlying calculations of the tax projections.</li> <li>• Verified the source data in the valuation report of immovable properties (such as description, area) with agreements and assessed the appropriateness of tax rate applied to the projected future taxable income.</li> <li>• Engaged with internal specialist to assess utilization of available tax benefits against the projected future taxable income in accordance with prevailing taxation laws and consequential recognition of deferred tax assets.</li> <li>• Performed sensitivity analyses on the projected taxable income by varying key assumptions, within reasonably foreseeable range.</li> <li>• Evaluated disclosures of the tax positions, tax loss carry forward losses and tax litigations in the standalone financial statements in accordance with relevant Ind AS.</li> </ul>

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
2.	<p><b>Assessment of carrying value of property, plant and equipment (including capital work-in-progress), right of use assets and intangible assets (together referred as the “Assets”)</b></p> <p>(Refer to Notes 4(a), 4(b), 4(c) and 6 in the Standalone Financial Statements)</p> <p>The carrying value of Assets is ₹10,841.67 lakhs as at March 31, 2023 which is significant to the balance sheet. Management has performed an impairment indicator assessment taking into account both internal and external factors, as per Ind AS 36 – Impairment of Assets. Where an indication of impairment exists, the carrying value of the cash generating unit (CGU) was compared to the recoverable amount of CGU. The Company has applied fair value less costs of disposal method in determining the recoverable value of CGU. In this connection, the Management has engaged an external registered valuer to determine the fair value of immovable properties and, The fair value of other assets was determined on the basis of management’s judgement and estimates. Based on the assessment, the Management has concluded that no impairment was required as of March 31, 2023. Recoverability of carrying value of Property, plant and equipment, CWIP and intangible assets have been identified as a key audit matter due to the significance of the carrying value of assets being assessed, the assessment of the recoverable amount of the CGU involves significant judgements and estimates and, the key judgements and estimates centred on identification of indicators of impairment and future projections relating to the aforesaid business</p>	<p>We have performed audit procedures including the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the Management with respect to process followed to perform impairment test related to Assets and assessing recoverable value for impairment computation.</li> <li>• Evaluation of design and implementation of the control relating to management’s assessment of impairment of Assets.</li> <li>• Engaged internal valuation experts to assess appropriateness of valuation methodology and key assumptions such as discount rate and growth rate used in the valuation model for immovable properties.</li> <li>• Verified the Source data in the valuation report of immovable properties (such as description, area etc.) with the agreements.</li> <li>• Evaluated the reasonableness of other assumptions applied by management, in determining the fair value of other assets such as future cash flows relating to the period covered by the Company’s strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.</li> <li>• Verified the arithmetical accuracy of underlying calculations of recoverable amount and compared with the carrying value of Assets.</li> <li>• Performed sensitivity analysis over the key assumptions, to assess the potential impact on impairment results and the range of possible outcomes for recoverable value of Assets.</li> <li>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements as per the applicable accounting standards.</li> </ul>

**Information Other than the Standalone Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report etc but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### **Other Matters**

The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 30, 2022, expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

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

1. 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 Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow

dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer Note 40(i) to the standalone 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.
    1. 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
    2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, 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.

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Ankush Agrawal**  
Partner  
Membership No. 159694  
UDIN: 23159694BGXIRA6859

Place: Mumbai  
Date: May 30, 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Ankush Agrawal**  
Partner  
Membership No.159694  
UDIN: 23159694BGXIRA6859

Place: Mumbai  
Date: May 30, 2023

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]**

- i.(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment, investment property and relevant details of right-of-use assets by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 4(a), 4(c) and 5 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Property, Plant and Equipment: Building ("Nyloc House") and underlying leasehold land	2,395.05	Multiplex Collapsible Tubes Limited	None	Since March 2018	Acquired pursuant to scheme of amalgamation. As informed by Management, it has initiated the process of getting the name transferred in Company's name.
Investment Property: Building (portion of Nyloc House)	736.89	Multiplex Collapsible Tubes Limited			
Right of Use Assets: Leasehold Land (pertaining to factory at Umbergaon)	1.69	Merino Knitting Industries	None	Since August 2003	

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii.
- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements filed with such Banks are in agreement with the books of account.
- iii.
- (a) The Company has granted interest free loans to nine employees. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies or firms or Limited Liability Partnerships during the year.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of loan are not prejudicial to the interest of the Company.
- (c) In case of the loans, schedule of repayment of principal have been stipulated and the borrowers have been regular in the payment of the principal.



- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to Other Parties.
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans during the year. These have stipulated the schedule for repayment of principal. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- Statutory dues which were outstanding, as at March 31, 2023 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹In lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.43	March 2022 to August 2022	15th of subsequent month	Not Paid	Delayed due to Aadhaar not activated by the Provident fund Authority for two employees.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Paid (₹In Lakhs)	Amount unpaid (₹In Lakhs)	Period to which the amount relates (Financial year)	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	8.66	4.91	1997-98	High Court of Bombay
		66.43	0.74	1999-2000	Deputy Commissioner of Income Tax
		795.52	306.76	2009-10, 2010-11, 2013-14 and 2014-15	Commissioner of Income Tax (Appeals)
Income -tax Act, 1961	TDS	28.00	177.81	2011-12 to 2017-18	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. Pending utilisation of the funds raised for the stated purpose, the funds are temporarily invested till the time the same is required to be spent for the purpose raised.
- xi.
- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act..
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi.
- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

- (d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, but the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph (xx)(a) to (b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Ankush Agrawal**  
Partner  
Membership No.159694  
UDIN: 23159694BGXIRA6859

Place: Mumbai  
Date: May 30, 2023

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Zodiac Clothing Company Limited on the Standalone Financial Statements for the year ended March 31, 2023]

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

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Zodiac Clothing Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements 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) (the "Guidance Note").

#### **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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 judgement, 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 with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls With reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Ankush Agrawal**  
Partner  
Membership No.159694  
UDIN: 23159694BGXIRA6859

Place: Mumbai  
Date: May 30, 2023

**ZODIAC CLOTHING COMPANY LIMITED**  
**Standalone Balance Sheet as at March 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	4(a)	8,430.87	9,063.62
	Right-of-use assets	4(c)	2,147.91	1,898.70
	Capital work - in - progress	4(b)	125.87	117.87
	Investment properties	5	726.84	1,129.15
	Intangible assets	6	137.19	152.25
	Financial assets			
	- Investments in subsidiary	7	65.91	65.91
	- Investments	8	5,174.03	4,842.50
	- Loans	9	8.43	9.83
	- Others financial assets	10	1,017.58	1,104.14
	Deferred tax assets (net)	38	1,564.88	1,564.88
	Non - Current tax assets (net)	38	1,158.93	1,079.44
	Other non - current assets	11	61.30	387.21
	<b>Total non-current assets</b>		<b>20,619.74</b>	<b>21,415.50</b>
2	<b>Current assets</b>			
	Inventories	12	5,901.72	6,747.04
	Financial assets			
	- Investments	13	3,164.08	165.66
	- Trade receivables	14	2,457.73	2,046.48
	- Cash and cash equivalents	15	57.66	34.93
	- Bank Balances other than cash and cash equivalents	16	37.74	40.01
	- Loans	17	3.49	4.55
	- Other financial assets	18	63.44	109.31
	Other current assets	19	2,822.60	2,775.25
	<b>Total current assets</b>		<b>14,508.46</b>	<b>11,923.23</b>
3	<b>Assets classified as held for sale</b>	20	122.90	178.78
	<b>TOTAL ASSETS</b>		<b>35,251.10</b>	<b>33,517.51</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	Equity share capital	21	2,599.37	2,475.95
	Other equity	22	22,992.00	19,917.55
	<b>Total equity</b>		<b>25,591.37</b>	<b>22,393.50</b>
2	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	- Borrowings	23	258.78	536.11
	- Lease Liabilities	4(c)	1,757.56	1,782.25
	- Other financial liabilities	26	58.48	28.64
	Other non-current liabilities	27	19.03	22.24
	<b>Total non-current liabilities</b>		<b>2,093.85</b>	<b>2,369.24</b>
	<b>Current liabilities</b>			
	Financial liabilities			
	- Borrowings	24	3,441.43	4,210.00
	- Lease Liabilities	4(c)	960.82	786.51
	- Trade payables	25		
	- total outstanding dues of micro and small enterprises		12.40	34.62
	- total outstanding dues of creditors other than micro and small enterprises		2,287.25	2,779.49
	- Other financial liabilities	26	122.99	95.71
	Other current liabilities	27	688.20	752.49
	Provisions	28	52.79	95.95
	<b>Total current liabilities</b>		<b>7,565.88</b>	<b>8,754.77</b>
	<b>Total liabilities</b>		<b>9,659.73</b>	<b>11,124.01</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,251.10</b>	<b>33,517.51</b>
	<b>Significant Accounting Policies</b>	2		

The accompanying notes (1 - 50) are an integral part of these standalone financial statements

As per our attached report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**For and on behalf of Board of Directors**

**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**S. Y. NOORANI**

Vice Chairman & Managing Director

DIN: 00068423

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**KUMAR IYER**

Company Secretary

**ZODIAC CLOTHING COMPANY LIMITED**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b>	<b>INCOME</b>			
	Revenue from operations	29	16,900.01	12,823.76
	Other income	30	748.11	3,238.49
	<b>Total Income</b>		<b>17,648.12</b>	<b>16,062.25</b>
<b>II</b>	<b>EXPENSES</b>			
	Cost of materials consumed	31	6,398.03	4,948.04
	Purchases of stock-in-trade		240.03	49.26
	Changes in inventories of finished goods, stock-in-trade and work-in progress	32	858.94	680.04
	Employee benefits expense	33	3,979.24	3,740.21
	Finance costs	34	682.67	616.85
	Depreciation and amortization expense	35	1,740.24	1,830.02
	Other expenses	36	6,134.23	5,081.59
	<b>Total expenses</b>		<b>20,033.38</b>	<b>16,946.01</b>
<b>III</b>	<b>Loss before exceptional item and tax</b>		<b>(2,385.26)</b>	<b>(883.76)</b>
<b>IV</b>	<b>Exceptional item</b>	37	3,901.09	-
<b>V</b>	<b>Profit / (Loss) before tax</b>		1,515.83	(883.76)
<b>VI</b>	<b>Tax expenses</b>	38		
	Current tax		-	113.00
	Deferred tax credit		(64.47)	(23.07)
	Tax in respect of earlier years		1.02	14.42
	<b>Total Tax expenses</b>		<b>(63.45)</b>	<b>104.35</b>
<b>VII</b>	<b>Profit/(Loss) for the year</b>		<b>1,579.28</b>	<b>(988.11)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
	- Remeasurements of gain on net defined benefit plans	42	91.16	38.19
	- Net gain on Equity Instruments through Other Comprehensive Income		419.58	555.75
	- Income tax relating to above items		(71.55)	(20.46)
	<b>(ii) Items that will be reclassified subsequently to profit or loss</b>			
	- Net (losses)/gains on cash flow hedges		(27.26)	9.12
	- Income tax relating to above items		7.58	(2.61)
	<b>Other Comprehensive Income for the year, net of tax</b>		<b>419.51</b>	<b>579.99</b>
<b>IX</b>	<b>Total Comprehensive Income/(Loss) for the year</b>		<b>1,998.79</b>	<b>(408.12)</b>
<b>X</b>	<b>Earnings / (Loss) per equity share of ₹10 each (INR)</b>	41		
	Basic (₹)		6.34	(3.99)
	Diluted (₹)		6.34	(3.99)
	Significant Accounting Policies	2		

The accompanying notes (1 - 50) are an integral part of these standalone financial statements

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**For and on behalf of Board of Directors**

**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**S. Y. NOORANI**

Vice Chairman & Managing Director

DIN: 00068423

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**KUMAR IYER**

Company Secretary

**ZODIAC CLOTHING COMPANY LIMITED**  
**Standalone Statement of Cash Flows for the year ended March 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Loss before exceptional item and tax</b>	<b>(2,385.26)</b>	<b>(883.76)</b>
Adjustments for:		
Depreciation and amortization expenses	1,740.24	1,830.02
Finance cost	682.67	616.85
Net unrealised exchange gain on foreign currency translation / transaction	(64.09)	(33.08)
Dividend Income	(12.61)	(679.64)
Rent income	(308.96)	(202.99)
Unwinding of discount on security deposits	(46.05)	(58.73)
Interest income	(4.35)	(93.52)
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	(272.48)	(1,638.48)
Covid-19 related Rent Concessions	-	(352.64)
Gain on termination / remeasurement / modification of lease contracts	(95.21)	(170.23)
Allowance for doubtful debts, loans and deposits	(15.00)	15.00
Bad debts, loans, advances, deposits etc. written off (net)	3.73	27.87
Net Loss on sale/discard of property, plant and equipment	111.37	73.83
<b>Cash used in operations before working capital changes</b>	<b>(666.00)</b>	<b>(1,549.50)</b>
Adjustments for:		
Decrease / (Increase) in trade and other receivables	294.09	(543.49)
Decrease in inventories	845.32	945.56
Decrease / (Increase) in trade and other payables	(546.32)	556.19
Increase in provisions	48.00	48.75
Cash flow generated from operations	(24.91)	(542.49)
Less: Direct taxes (paid) / refunds received (net)	(79.80)	78.17
<b>Net cash flows used in operating activities (A)</b>	<b>(104.71)</b>	<b>(464.32)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflows</b>		
Sale proceeds of property, plant and equipment	15.13	6.38
Sale proceeds of investment property (net of incidental expenses)	4,272.17	-
Interest received	1.90	97.93
Rent received	300.35	108.24
Sale proceeds of non-current investments	327.05	333.10
Sale proceeds of current investments (net)	145.00	473.70
Dividend received	12.61	679.64
	<b>5,074.21</b>	<b>1,698.99</b>
<b>Outflows</b>		
Purchase of property, plant and equipment/ intangible assets	(236.20)	(333.46)
Purchase of current investments (net)	(3,110.90)	-
Investment in Term Deposits (Net)	(80.23)	(1.03)
	<b>(3,427.33)</b>	<b>(334.49)</b>
<b>Net cash generated from investing activities (B)</b>	<b>1,646.88</b>	<b>1,364.50</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflows</b>		
Proceeds from issue of equity shares (including securities premium)	1,200.00	-
Proceeds towards loan from directors	911.75	378.25
	<b>2,111.75</b>	<b>378.25</b>
<b>Outflows</b>		
Repayment of non-current borrowings	(277.33)	(18.56)
Repayment of current borrowings (net)	(390.32)	(6.16)
Repayment of loan from directors	(1,290.00)	-
Payment of principal portion of lease liabilities	(1,009.58)	(675.14)
Interest paid on lease liabilities	(290.64)	(270.51)
Interest paid on others	(373.32)	(364.49)
	<b>(3,631.19)</b>	<b>(1,334.86)</b>
<b>Net cash flows used in financing activities (C)</b>	<b>(1,519.44)</b>	<b>(956.61)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>22.73</b>	<b>(56.43)</b>
Add : Cash and cash equivalents at beginning of the year	34.93	91.36
<b>Cash and cash equivalents at end of the year (refer note 15)</b>	<b>57.66</b>	<b>34.93</b>

**Non-cash financing and investing activities**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Acquisition of right-of-use assets</b>	<b>1,528.92</b>	<b>53.01</b>

**Cash and Cash equivalents (Refer Note 15) as per above comprises of the following**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	4.13
Balances with Banks	57.66	30.80
<b>Total</b>	<b>57.66</b>	<b>34.93</b>

**Notes:** The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

**The accompanying notes (1 - 50) are an integral part of these standalone financial statements**

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**For and on behalf of Board of Directors**

**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**S. Y. NOORANI**

Vice Chairman and Managing Director

DIN: 00068423

**KUMAR IYER**

Company Secretary

**ZODIAC CLOTHING COMPANY LIMITED**

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Particulars	Notes	Amount
As at April 01, 2021		2,475.95
Changes in equity share capital	21	-
As at March 31, 2022		2,475.95
Changes in equity share capital	21	123.42
As at March 31, 2023		2,599.37

**B. Other Equity**

Particulars	Reserves and Surplus							Other Comprehensive Income (OCI)			Total
	Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve			
<b>Balance as at April 01, 2021</b>	9,672.52	8.16	15.84	200.00	2,677.51	7,423.04	316.36	12.14	20,325.57		
Loss for the year	-	-	-	-	-	(988.11)	-	-	(988.11)		
Remeasurements gain on net defined benefit plans	-	-	-	-	-	38.19	-	-	38.19		
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	535.29	-	535.29		
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	18.65	18.65		
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(12.14)	(12.14)		
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	(949.92)	535.29	6.51	(408.12)		
<b>Balance as at March 31, 2022</b>	9,672.52	8.16	15.84	200.00	2,677.51	6,473.12	851.65	18.65	19,917.45		
Profit for the year	-	-	-	-	-	1,579.28	-	-	1,579.28		
Remeasurement gain on defined benefit plan	-	-	-	-	-	91.16	-	-	91.16		
Changes in fair value of equity instruments through other Comprehensive Income (net of tax)	-	-	-	-	-	-	347.21	-	347.21		
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	(1.03)	(1.03)		
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(18.65)	(18.65)		
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	1,670.44	347.21	(19.68)	1,997.97		
Transactions with owners in their capacity as owners:											
Premium Received on Issue of Equity Shares	1,076.58	-	-	-	-	-	-	-	1,076.58		
<b>Balance as at March 31, 2023</b>	10,749.10	8.16	15.84	200.00	2,677.51	8,143.56	1,198.86	(1.03)	22,992.00		

The accompanying notes (1 - 50) are an integral part of these standalone financial statements

As per our attached report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**For and on behalf of Board of Directors**

Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**S. Y. NOORANI**

Vice Chairman and Managing Director

DIN: 00068423

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**KUMAR IYER**

Company Secretary



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*Barboni*

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FINEST QUALITY CLOTHING

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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 1 Background and Operations

Zodiac Clothing Company Limited ('the Company') incorporated in India having registered office at Mumbai and manufacturing facilities at Bengaluru, Umbergaon and Mumbai. The Company deals in clothing and clothing accessories.

### 2 Significant accounting policies

#### (a) Basis of preparation of Standalone Financial Statements

##### (i) Compliance with Ind AS

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)], and other relevant provisions of the Act.

##### (ii) Going Concern Assessment

The Directors of the Company have assessed its liquidity position. The Board of Directors are confident of the Company's ability to meet its obligation atleast for the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on going concern basis.

##### (iii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

##### (iv) Current and non-current classification

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

##### (v) Rounding off amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

#### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the standalone financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are

based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### (c) Property, plant and equipment

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

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

#### Depreciation methods, estimated useful lives and residual value

The Company depreciates its property, plant and equipment on a straight line method net of residual values over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act, except for the following class of assets, useful life for which is based on a technical evaluation and taking into consideration nature of Company's business and past experience of usage of such assets:

Description of assets	Useful life followed by the Company	Useful life as prescribed under Schedule II
Plant and equipment	21 Years *	15 Years
Furniture and fixtures	16 Years	10 Years
Office equipments	21 Years	5 Years
Computer (including servers)	6 Years	3-6 Years
Electrical Installation	21 Years	10 Years

\* Based on single shift

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term. Period of lease is either the primary lease period or where the Company as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

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

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(d) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is initially recognized at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties, net of residual value are depreciated using the straight-line method over their useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act.

**(e) Intangible assets**

**Computer software**

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

**Amortisation method**

The Company amortizes intangible assets using the straight-line method over following period:

<b>Nature of intangible asset</b>	<b>Useful life</b>
- Computer Software	6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(f) Lease**

**As lessee**

The Company’s lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or 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.

At the date of commencement of the lease, the Company recognises 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 leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over

the term of the lease. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The lease liability is initially measured at the present value of the future lease payments and payments to be made under reasonably certain extension option are also included in measurement of liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially recognised 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. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The amount on remeasurement of lease liability is adjusted to the right of use asset and any remaining amount is recognised in statement of profit and loss.

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

**Covid-19-Related Rent Concessions:**

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116- Leases, by inserting a practical expedient on “Covid19-Related Rent Concessions” and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022. Pursuant to the above amendment, the Company has applied the practical expedient by accounting the unconditional rent concessions in the Statement of Profit and Loss, in respect of leases, which has satisfied following conditions:

- i) the change in lease payments results in revised consideration for the lease that is less than, the consideration for the lease immediately preceding the change
- ii) any reduction in lease payments affects only payments originally due on or before the June 30, 2022
- iii) there is no substantive change to other terms and conditions of the lease.

The Company has recognised such Covid-19 related rent concessions as other income in the period in which such concessions are agreed with lessor, with corresponding impact to lease liabilities.

**As lessor**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**(g) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, Bank overdrafts, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(h) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'First-in-First-Out', 'Weighted Average cost' or 'Specific Identification', as applicable.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Slow-moving, non-moving and defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc.

**(i) Investment in subsidiary**

Investment in subsidiary is recognised at cost (less, impairment, if any), as per Ind AS - 27 'Separate Financial Statements'.

**(j) Investments and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

\* those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses

will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Recognition**

Purchases and sales of financial assets are recognised on trade - date, being the date on which the Company commits to purchase or sale the financial asset.

**(iii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit and loss:** Assets

that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as other income in the Statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iv) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are measured at amortised cost e.g., loans, deposits and bank balance.
- (b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

**(v) Derecognition**

- A financial asset is derecognised only when
- the Company has transferred the rights to receive the cash flows from the financial asset or
  - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

**(vi) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.

**Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

**Rental Income**

Rentals basically consists of rental revenue earned from letting of space at the entity's own premises. Revenue is recognised in the period in which services are being rendered.

**(k) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**(l) Borrowing costs**

General and specific borrowing costs that are 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.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs.

Other interest and borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

**(m) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

Contingent assets disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

**(n) Revenue recognition**

**Sale of goods - Wholesale**

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transferred to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**Sale of goods - Retail**

The Company operates a chain of retail stores. Revenue from the sale of goods is recognised when the Company sells a product to the customer. Payment of transaction price is generally due immediately when the customer purchases the goods and takes delivery in store.

**Variable Lease Payments**

Certain property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, re-evaluation done post Covid-19 etc.. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

**Sales return**

Accumulated experience is used to estimate and provide for the sales return, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected sales return in relation to sales made until the end of the reporting period.

**Service income**

Sale of services - Revenue is recognised based on actual service provided at the end of the reporting period as proportion of total service to be provided.

**Other operating revenue - Export incentives**

Export incentives under various schemes of Government of India are accounted on accrual basis on the basis of exports made and when there is reasonable assurance that the Company will comply with the conditions and incentive will be received.

**(o) 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.

**(ii) Post-employment obligations**

**Defined Benefits Plan**

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined 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 at the year-end by actuary using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement 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 as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

**Defined Contribution Plans**

The Company pays Provident Fund (PF) contributions, Employees State Insurance Scheme (ESIC) etc., to publicly administered 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 benefits expense when they are due.

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

The liabilities for earned 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. An actuarial valuation is obtained at the end of reporting period. 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 obligations are presented as current liabilities in the balance sheet, if the Company 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.

**(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. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for structuring that is within the scope of Ind AS-37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**(p) Foreign currency transactions**

**(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**(ii) Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

**(q) Derivative and hedging activities**

Derivatives are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item

being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitment transactions (sales orders/purchase orders) (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objectives and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

**Cash flow hedges that qualify for hedge accounting –**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

When forward contracts are used to hedge forecast transactions, the Company designates them in entirety as the hedging instrument. Gains or losses relating to effective portion of fair value of forward contracts are recognised in the other comprehensive income in the cash flow hedging reserve within other equity.

When the option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument.

Amounts accumulated in equity are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss i.e when the underlying sales or purchase transaction occurs.

The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

**Derivative Contracts other than cash flow hedges:**

Derivative contracts which are not designated as cash flow hedges, are accounted for at fair value through profit or loss and are included in Statement of Profit and Loss.

**(r) Income tax**

The income tax expense 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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the standalone financial statements. Deferred income 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 liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set 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.

**(s) 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 and excluding treasury shares.

**Diluted earnings per share**

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

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

The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

**(t) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker(CODM). The CODM, being the Managing Director assesses the financial performance and position of the Company and makes strategic decisions.

**(u) Impairment of non-financial assets:**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(v) Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

**(w) Dividend**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(x) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally



through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

**(y) Recent Accounting Pronouncements:  
Standards issued but not yet effective:**

Ministry of Corporate Affairs (“MCA”) and notifies new standard or amendments to the existing standards. MCA vide notification dated 31st March, 2023 has made the following amendments to the Ind AS which are effective 1st April 2023:

a) Amendments to the Ind AS 1, Presentation of Financial Statements where the company are now required to disclose material accounting policies rather than their significant accounting policy.

b) Amendments to the Ind AS 8, Accounting policies changes in Accounting Estimates and Errors where the definition of ‘Change in account estimate’ has

been replaced by revised definition of ‘accounting estimate’.

c) Amendments to Ind AS 12, Income taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on the Preliminary assessment, the company does not expect these amendments to have any significant impact on its standalone financial statements.

**3 Critical estimates and judgements**

The preparation of standalone financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 42).
- Recoverability of deferred tax assets (Refer Note 38).
- Allowance for doubtful debts (Refer Note 14 and 46).
- Fair value of Investment properties (Refer Note 5)
- Direct tax litigations (Refer Note 40)
- Determination of lease term (Refer Note 4(c))
- Impairment of non-financial assets (Refer Note 2(u))
- Provision for Inventory Obsolescence (Refer Note 2(h) and 12)



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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**4(a) Property, Plant and Equipment**

	Freehold Land (note (iii) below)	Buildings (note (iii) below)	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Total
<b>Gross Carrying Amount</b>										
Balance as at April 01, 2021	362.47	2,891.31	2,358.00	3,678.25	2,890.33	46.88	669.91	233.37	883.33	14,013.85
Additions	-	-	75.77	2.48	11.80	-	1.08	0.66	43.97	135.76
Disposals	-	-	239.72	48.10	61.16	-	11.10	30.87	38.88	429.83
Reclassified to Investment Property (Refer Note 5)	-	43.40	-	-	-	-	-	-	-	43.40
<b>Balance as at March 31, 2022</b>	<b>362.47</b>	<b>2,847.91</b>	<b>2,194.05</b>	<b>3,632.63</b>	<b>2,840.97</b>	<b>46.88</b>	<b>659.89</b>	<b>203.16</b>	<b>888.42</b>	<b>13,676.38</b>
Additions	-	5.60	98.22	12.84	37.96	-	0.27	0.26	67.04	222.19
Disposals	-	-	269.15	187.29	352.30	-	10.34	59.04	108.12	986.24
<b>Balance as at March 31, 2023</b>	<b>362.47</b>	<b>2,853.51</b>	<b>2,023.12</b>	<b>3,458.18</b>	<b>2,526.63</b>	<b>46.88</b>	<b>649.82</b>	<b>144.38</b>	<b>847.34</b>	<b>12,912.33</b>
<b>Accumulated depreciation</b>										
Balance as at April 01, 2021	-	345.92	1,230.64	1,019.46	1,074.49	36.83	174.17	180.21	229.35	4,291.07
Additions	-	64.68	115.60	199.89	215.05	-	35.24	12.11	45.62	688.19
Disposals	-	-	208.36	35.27	54.36	-	2.77	29.39	23.31	353.46
Reclassified to Investment Property (Refer Note 5)	-	13.04	-	-	-	-	-	-	-	13.04
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>397.56</b>	<b>1,137.88</b>	<b>1,184.08</b>	<b>1,235.18</b>	<b>36.83</b>	<b>206.64</b>	<b>162.93</b>	<b>251.66</b>	<b>4,612.76</b>
Additions	-	63.03	108.55	191.78	216.88	-	35.57	9.49	46.97	672.27
Disposals	-	-	251.40	116.34	312.34	-	4.41	56.68	62.40	803.57
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>460.59</b>	<b>995.03</b>	<b>1,259.52</b>	<b>1,139.72</b>	<b>36.83</b>	<b>237.80</b>	<b>115.74</b>	<b>236.23</b>	<b>4,481.46</b>
<b>Carrying Amounts</b>										
Balance as at March 31, 2022	362.47	2,450.35	1,056.17	2,448.55	1,605.79	10.05	453.25	40.23	636.76	9,063.62
<b>Balance as at March 31, 2023</b>	<b>362.47</b>	<b>2,392.92</b>	<b>1,028.09</b>	<b>2,198.66</b>	<b>1,386.91</b>	<b>10.05</b>	<b>412.02</b>	<b>28.64</b>	<b>611.11</b>	<b>8,430.87</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 4(b) Capital Work in Progress

Capital Work in Progress (CWIP) (Refer Note iv)	Opening carrying amount	Additions	Disposals	Assets classified as held for sale	Transfer	Closing carrying amount
For the year ended March 31, 2022	5.44	114.64	-	-	2.21	117.87
For the year ended March 31, 2023	117.87	8.00	-	-	-	125.87

#### Ageing of CWIP

Capital Work in Progress (CWIP) (Refer Note iv)	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
For the year ended March 31, 2022		114.64	-	3.23	117.87
For the year ended March 31, 2023		122.64	-	3.23	125.87

Notes:

- Refer Note 40(ii)(a) for disclosure of contractual commitments for acquisition of property, plant and equipment.
- Refer Note 39 for information on property, plant and equipment pledged as security by the Company.
- Refer note 49 (n) for immovable properties not held in name of the Company.
- Actual cost of capital projects in progress has not exceeded the estimated cost and the actual timelines for completion of projects has not exceeded the estimated timelines in respect of the amounts reported in 4(b), as at end of each reporting period. Accordingly, completion schedule is not presented. CWIP as at March 31, 2023 and March 31, 2022 majorly comprises of costs directly attributable to a building. There are no projects which are suspended as on March 31, 2022 and March 31, 2023.
- During the previous year, a residential flat having carrying value of ₹30.36 Lakhs has been transferred to investment properties.

### 4(c) Leases

This note provides information for leases where the Company is a lessee. The Company leases Land and Building (retail stores, warehouse, offices, guest house etc.). Rental contracts are typically made for periods of 1 year to 9 years, but may have extension options as described in (iv) below.

<b>(i) Amounts recognised in balance sheet</b>		
The balance sheet shows the following amounts relating to leases:		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Right of use assets</b>		
- Leasehold Land	1.14	1.34
- Buildings	2,146.77	1,897.36
<b>Total</b>	<b>2,147.91</b>	<b>1,898.70</b>

<b>Set out below are the carrying amounts of right of use assets recognised and movements during the year:</b>			
Particulars	Lease hold Land *	Buildings	Total right of use assets
<b>I. Gross carrying amount</b>			
<b>Balance as at April 01, 2021</b>	<b>2.54</b>	<b>9,489.10</b>	<b>9,491.64</b>
Additions	-	53.01	53.01
Deductions on disposals	-	1,769.27	1,769.27
<b>Balance as at March 31, 2022</b>	<b>2.54</b>	<b>7,772.84</b>	<b>7,775.38</b>
Additions	-	1,528.92	1,528.92
Deductions on disposals	-	1,737.03	1,737.03
<b>Balance as at March 31, 2023</b>	<b>2.54</b>	<b>7,564.73</b>	<b>7,567.27</b>
<b>II. Accumulated depreciation</b>			
<b>Balance as at April 01, 2021</b>	<b>1.00</b>	<b>5,632.80</b>	<b>5,633.80</b>
Additions	0.20	1,042.11	1,042.31
Deductions on disposals	-	799.43	799.43
<b>Balance as at March 31, 2022</b>	<b>1.20</b>	<b>5,875.48</b>	<b>5,876.68</b>
Additions	0.20	980.61	980.81
Deductions on disposals	-	1,438.13	1,438.13
<b>Balance as at March 31, 2023</b>	<b>1.40</b>	<b>5,417.96</b>	<b>5,419.36</b>
<b>Carrying amount</b>			
<b>Balance as at March 31, 2022</b>	<b>1.34</b>	<b>1,897.36</b>	<b>1,898.70</b>
<b>Balance as at March 31, 2023</b>	<b>1.14</b>	<b>2,146.77</b>	<b>2,147.91</b>

\* Refer note 49 (n) for immovable properties not held in name of the Company.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**4(c) Leases (Contd...)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease Liabilities</b>		
Current	960.82	786.51
Non-Current	1,757.56	1,782.25
<b>Total</b>	<b>2,718.38</b>	<b>2,568.76</b>

**(ii) Amounts recognised in the statement of profit and loss**  
**The statement of profit and loss shows the following amount relating to lease:**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Depreciation charge of Right-of-use assets</b>		
- Leasehold Land	0.20	0.20
- Buildings	980.61	1,042.11
	<b>980.81</b>	<b>1,042.31</b>
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
COVID-19 related Rent Concessions (included in other income)*	-	352.64
Gain on termination / remeasurement of lease contracts (included in other income)	95.21	170.23
Interest expense (included in finance costs)	290.64	270.51
Rent		
- Expense relating to short-term leases (included in other expenses)	463.10	424.05
- Expense relating to variable lease payments not included in lease liabilities	274.23	164.11
	<b>737.33</b>	<b>588.16</b>

The total cash outflow for leases for the year ended March 31, 2023 was ₹2,037.55 Lakhs (March 31, 2022 ₹1,533.56 Lakhs) (including short term and variable lease payments).

**\*Covid-19-Related Rent Concessions:**

As described in Note No 2(f) Accounting Policy on Leases, the Ministry of Corporate Affairs vide notification dated July 24, 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. Covid-19 Related Rent Concessions and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022.

Certain lessors have provided rent concessions to the Company as a result of the Covid-19 pandemic. Rent concession include rent holidays, rent reduction and/or variable rent as % of sales for a certain period but not beyond June 30, 2022.

Pursuant to the above amendment, the Company has applied the practical expedient in respect of leases which satisfies all the three conditions mentioned therein, and recognized unconditional rent concessions in the Statement of Profit and Loss as Other Income.

**(iii) Variable Lease Payments**

Certain property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, re-evaluation done post Covid-19 etc.. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

A 50% increase in sales across all stores in the company with such variable lease contracts would increase total lease payments by approximately ₹137.12 Lakhs (March 31, 2022 ₹82.06 Lakhs).

**(iv) Extension and termination options**

Extension and termination options are included in a number of property leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

**(v) Critical judgments in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the Company considers factors such as historical lease durations, the costs and business disruption required to replace the leased asset.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**5. Investment Properties**

	Land	Building	Total
<b>Gross carrying amount</b>			
<b>Balance as at April 01, 2021</b>	45.94	1,217.23	1,263.17
"Reclassified from Property, plant and equipment (Refer Note 4(a)(v))"	-	43.40	43.40
<b>Balance as at March 31, 2022</b>	<b>45.94</b>	<b>1,260.63</b>	<b>1,306.57</b>
Additions	-	-	-
Deductions on disposals	45.94	411.22	457.16
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>849.41</b>	<b>849.41</b>
<b>Accumulated depreciation</b>			
<b>Balance as at April 01, 2021</b>	-	<b>130.99</b>	<b>130.99</b>
Additions	-	33.39	33.39
"Reclassified from Property, plant and equipment (Refer Note 4(a)(v))"	-	13.04	13.04
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>177.42</b>	<b>177.42</b>
<b>Additions</b>		31.22	31.22
Deductions on disposals		86.08	86.08
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>122.57</b>	<b>122.57</b>
<b>Net carrying amount</b>			
<b>Balance as at March 31, 2022</b>	<b>45.94</b>	<b>1,083.21</b>	<b>1,129.15</b>
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>726.84</b>	<b>726.84</b>
<b>Note:</b>			

**(i) Amounts recognised in statement of profit or loss for investment properties:**

Particulars	As at March 31, 2023	As at March 31, 2022
Rental income derived from investment properties	302.21	193.99
Direct operating expenses (including repairs and maintenance) of investment properties	4.15	4.78
<b>Income arising from investment properties before depreciation</b>	<b>298.06</b>	<b>189.21</b>
Depreciation	31.22	33.39
<b>Income arising from investment properties (Net)</b>	<b>266.84</b>	<b>155.82</b>

**(ii) Premises given on operating lease:**

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 1 years to 9 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable in respect of non-cancellable leases at the Balance Sheet date is as under

Particulars	As at March 31, 2023	As at March 31, 2022
For a period not later than one year	256.69	206.73
For a period later than one year and not later than five years	34.15	193.81
For a period later than five years	-	-

**(iii) Fair value**

Particulars	Investment Properties		
	Land	Building	Total
As at March 31, 2022	4,097.33	6,058.07	10,155.40
As at March 31, 2023	-	5,394.32	5,394.32

**Significant Estimates:**

**Estimation of fair value**

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.

The fair valuation of investment properties has been determined by registered independent valuers as defined under Companies Act, 2013. The main inputs used are the prevailing market rates and recent sale of similar properties, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

(iv) Refer note 49 (n) for immovable properties not held in name of the Company.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**6 Intangible assets**

	<b>Computer Software</b>
<b>Gross carrying amount</b>	
<b>Balance as at April 01, 2021</b>	<b>509.70</b>
Additions	59.95
Disposals	3.99
<b>Balance as at March 31, 2022</b>	<b>565.66</b>
Additions	40.53
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>606.19</b>
<b>Accumulated amortisation</b>	
<b>Balance as at April 01, 2021</b>	347.28
Additions	66.13
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>413.41</b>
Additions	55.59
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>469.00</b>
<b>Net carrying amount</b>	
<b>Balance as at March 31, 2022</b>	<b>152.25</b>
<b>Balance as at March 31, 2023</b>	<b>137.19</b>

**7 Investments in Subsidiary**

	<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
	No. of shares	Amount	No. of shares	Amount
<b>Unquoted</b>				
<b>Equity instruments at cost</b>				
Zodiac Clothing Company S.A., Switzerland (Equity Shares of CHF 1,000/- each)	250	65.91	250	65.91
<b>Total</b>		<b>65.91</b>		<b>65.91</b>
Aggregate value of unquoted investments		65.91		65.91

**8 Non-current Investments**

	<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
	No. of Shares / NCD / Units	Amount	No. of Shares / NCD / Units	Amount
<b>A Investment in Equity Instruments</b>				
<b>Quoted</b>				
<b>At Fair value through Other Comprehensive Income</b>				
Shoppers Stop Limited (Equity Shares of ₹ 5 each)	221,024	1,431.46	221,024	1,030.63
Aditya Birla Capital Limited (Equity Shares of ₹ 10 each)	138	0.21	138	0.15
Grasim Industries Limited (Equity Shares of ₹ 10 each)	99	1.62	99	1.65
Aditya Birla Fashion and Retail Limited (Equity Shares of ₹ 10 each)	343	0.74	343	1.04
Hindalco Industries Limited (Equity Shares of ₹ 1 each)	830	3.36	830	4.73
Coramandel International Limited (Equity Shares of ₹ 10 each)	108	0.95	108	0.86
Exide Industries Limited (Equity Shares of ₹ 10 each)	7	0.01	7	0.01
Indraprastha Medical Limited (Equity Shares of ₹ 10 each)	5,000	3.89	5,000	2.92
Karur Vysya Bank Limited (Equity Shares of ₹ 2 each)	32,733	34.11	32,733	15.16
Maan Alluminium Limited (Equity Shares of ₹ 10 each)	1,000	1.73	1,000	1.35
Spentex Industries Limited (Equity Shares of ₹ 10 each)	54	*	54	*
<b>Total (A)</b>		<b>1,478.08</b>		<b>1,058.50</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**8 Non-current Investments**

	As at March 31, 2023		As at March 31, 2022	
	No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
<b>B</b>	<b><u>Investment in Non Convertible Debentures (NCD)</u></b>			
	<b>Unquoted</b>			
	<b>At amortised cost</b>			
	11.80 % I L & F S Transportation Networks Limited (NCDs of ₹ 100 each)			
	30	305.62	30	305.62
		(305.62)		(305.62)
		-		-
	<b>Total (B)</b>			
<b>C</b>	<b><u>Investment in Venture capital funds</u></b>			
	<b>Unquoted</b>			
	<b>At Fair value through Profit and Loss @</b>			
	Faering Capital India Evolving Fund II (Units of ₹1000/- each)			
	65,252	1,694.30	68,127	1,651.08
	Paragon Partners Growth Fund I (Units of ₹100/- each)			
	384,750	639.88	435,286	769.54
	Tata Capital Healthcare Fund (Units of ₹1 /- each)			
	20,000,000	36.00	20,000,000	36.00
	Tata Capital Growth Fund (Units of ₹1 /- each)			
	20,000,000	166.00	20,000,000	172.00
	Faering Capital India Evolving Fund (Units of ₹1000/- each)			
	32,012	1,159.77	38,886	1,155.38
		<b>3,695.95</b>		<b>3,784.00</b>
	<b>Total (A+B+C)</b>		<b>Total (A+B+C)</b>	
		<b>5,174.03</b>		<b>4,842.50</b>
	Aggregate amount of quoted investments		1,478.08	
	Aggregate Market Value of the quoted investments		1,478.08	
	Aggregate amount of unquoted investments		4,001.57	
	Aggregate amount of impairment in the value of investment		305.62	

**Note:**

\* Amount is below the rounding off norms adopted by the Company.

@ Investment in venture capital funds have been fair valued at closing Net Assets Value (NAV) / Fair Market Value (FMV).

Refer Note 45 for information about fair value measurement of investments and Note 40(ii)(b) for Investment Commitments related to Venture Capital funds.

**9 Non-current loans**

	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Loans to employees	8.43	9.83
<b>Total</b>	<b>8.43</b>	<b>9.83</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**10 Other non-current financial assets**

	As at March 31, 2023	As at March 31, 2022
Security deposits	978.91	1,145.14
Less: Allowance for doubtful deposits	(42.00)	(42.00)
	<b>936.91</b>	<b>1,103.14</b>
Term deposits with banks	80.67	1.00
<b>Total</b>	<b>1,017.58</b>	<b>1,104.14</b>
<b>Note: Security Deposits (for premises taken on lease) includes amount paid to:</b>		
<b>(i) Directors</b>		
Mr. A. Y. Noorani	-	11.25
Mr. S. Y. Noorani	-	11.25
<b>(ii) Firms in which Directors of the Company are partners</b>		
Metropolitan Trading Company	33.00	115.00
Munraz Enterprises	10.00	10.00
Mustang Manufacturing Company	2.50	2.50

**11 Other non-current assets**

	As at March 31, 2023	As at March 31, 2022
Capital advances	10.79	12.96
Prepaid expenses	3.80	1.48
Balances with government authorities - GST Input credit	-	317.92
Balances with government authorities (including deposits) - Others	46.71	54.85
<b>Total</b>	<b>61.30</b>	<b>387.21</b>



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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**12 Inventories**

	As at March 31, 2023	As at March 31, 2022
(The mode of valuation of inventories has been stated in Note 2(h))		
Raw and Packing Materials [Includes Raw Material - In Transit ₹Nil, (As at March 31, 2022 ₹15.91 Lakhs)]	1,685.70	1,665.04
Work-in-progress	164.69	164.16
Finished goods	3,584.13	4,265.90
Stock-in-trade	363.71	541.41
Stores and Spares	103.49	110.53
<b>Total</b>	<b>5,901.72</b>	<b>6,747.04</b>

Inventory writedowns are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-downs of inventories amounted to ₹371.70 Lakhs for the year ended March 31, 2023 (₹ 130.83 Lakhs for year ended March 31, 2022). These writedowns were recognised as an expense and included in 'Cost of material consumed', 'changes in inventories of finished goods, stock-in-trade and work-in-progress', and 'consumption of stores and spares' in the Statement of Profit and Loss.

The management has carried out an assessment of carrying value of the inventories and basis such assessment which includes nature, condition, margins and liquidation plan, no further provision, over and above those already provided, is considered necessary.

**13 Current investments**

	No. of Units	As at March 31, 2023	No. of Units	As at March 31, 2022
<b>Investments in Mutual Funds</b>				
<b>Unquoted</b>				
<b>At Fair value through Profit and Loss</b>				
HDFC Ultra Short Term Fund- Regular Growth (Units of ₹10/- each)	1,274,919	165.64	1,345,889	165.24
HDFC Ultra Short Term Fund- Dir-IDCW (Units of ₹10/- each)	4,314	0.44	4,086	0.42
HDFC Ultra Short Term Fund Direct Growth (Units of ₹10/- each)	14,622,640	1,916.43	-	-
HDFC Liquid-DP-Growth Option (Units of ₹10/- each)	24,452	1,081.57	-	-
<b>Total</b>		<b>3,164.08</b>		<b>165.66</b>
Aggregate amount of unquoted investments		3,164.08		165.66

Refer Note 45 for information about fair value measurement of investments.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**14 Trade receivables**

	As at March 31, 2023	As at March 31, 2022
Receivables from related parties (Refer Note 44)	512.48	575.01
Others	2,343.85	1,885.07
Less: Loss Allowances	(398.60)	(413.60)
<b>Total</b>	<b>2,457.73</b>	<b>2,046.48</b>
<b>Note (a): Break-up of security details</b>		
Trade receivables considered good - unsecured	2,457.73	2,046.48
Trade receivables - credit impaired unsecured	398.60	413.60
<b>Total</b>	<b>2,856.33</b>	<b>2,460.08</b>
Less: Loss Allowances	(398.60)	(413.60)
<b>Total Trade Receivables</b>	<b>2,457.73</b>	<b>2,046.48</b>
<b>Note (b): Amounts Receivable from firms in which Directors are partners</b>		
Mashal Enterprises	5.95	2.99

Refer Note 46 for information about credit risk and market risk of trade receivables.

**Note (c): Ageing of trade receivables:**

Unsecured Trade receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
(i) Undisputed - considered good	1,381.16	932.29	26.45	113.23	4.60	-	2,457.73
(ii) Disputed - credit impaired	-	-	-	-	35.84	362.76	398.60
<b>Total</b>	<b>1,381.16</b>	<b>932.29</b>	<b>26.45</b>	<b>113.23</b>	<b>40.44</b>	<b>362.76</b>	<b>2,856.33</b>
As at March 31, 2022							
(i) Undisputed - Considered good	1,412.46	536.46	38.94	51.25	7.37	-	2,046.48
(ii) Disputed - credit impaired	-	-	-	-	42.24	371.36	413.60
<b>Total</b>	<b>1,412.46</b>	<b>536.46</b>	<b>38.94</b>	<b>51.25</b>	<b>49.61</b>	<b>371.36</b>	<b>2,460.08</b>

There are no unbilled receivables as at March 31, 2023 and March 31, 2022.

**15 Cash and cash equivalents**

	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	4.13
Balances with Banks		
- In current accounts	57.66	30.80
<b>Total</b>	<b>57.66</b>	<b>34.93</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2023 and previous year end.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**16 Bank Balances other than cash and cash equivalents**

	As at March 31, 2023	As at March 31, 2022
Term deposits with Banks	36.55	34.25
Less: Interest accrued (included in Note 18)	(1.96)	(0.22)
	34.59	34.03
Unclaimed dividends - Earmarked balances with banks	3.15	5.98
<b>Total</b>	<b>37.74</b>	<b>40.01</b>

**17 Current loans**

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured considered good</b>		
Loans to employees	3.49	4.55
<b>Total</b>	<b>3.49</b>	<b>4.55</b>

**18 Other current financial assets**

	As at March 31, 2023	As at March 31, 2022
Security Deposits	55.61	22.89
Interest accrued	1.96	0.22
Derivative financial instruments	-	38.36
Other advances	5.87	57.65
Less: Allowance for doubtful advances	-	(9.81)
<b>Total</b>	<b>63.44</b>	<b>109.31</b>

**19 Other current assets**

	As at March 31, 2023	As at March 31, 2022
Export Benefits receivables	321.16	491.51
Excess Contribution to gratuity fund (Refer Note 42)	56.40	24.04
Interest subvention receivable	1.11	21.56
Advances to Suppliers	36.38	37.24
Prepaid expenses	58.55	48.55
Balances with government authorities - GST Input credit receivable/refundable	2,318.00	2,121.35
Right to recover returned goods (Refer Note 27)	31.00	31.00
<b>Total</b>	<b>2,822.60</b>	<b>2,775.25</b>

**20 Assets classified as held for sale**

	As at March 31, 2023	As at March 31, 2022
Plant & Machinery *	122.90	178.78
<b>Total</b>	<b>122.90</b>	<b>178.78</b>

Plant & Machinery identified as asset held for sale to Zodiac Bangladesh Clothing Limited. The construction of factory at Bangladesh got delayed which delayed transfer of plant & machinery identified as asset held for sale. Subsequent to year end, the Company has obtained necessary approvals from relevant authorities and is in process of initiating the sale.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**21 Equity share capital**

	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>	3,400.00	3,400.00
3,40,00,000 [March 31, 2022: 3,40,00,000] Equity Shares of ₹ 10 each		
<b>Issued, subscribed and fully paid up</b>	2,599.37	2,475.95
2,59,93,717 [March 31, 2022: 2,47,59,531] Equity Shares of ₹ 10 each	<b>2,599.37</b>	<b>2,475.95</b>

**Notes:**

**a) Reconciliation of number of shares:**

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares :</b>				
Balance as at the beginning of the year	24,759,531	2,475.95	24,759,531	2,475.95
Issued during the year #	1,234,186	123.42	-	-
<b>Balance as at the end of the year</b>	<b>25,993,717</b>	<b>2,599.37</b>	<b>24,759,531</b>	<b>2,475.95</b>

**b) Rights, preferences and restrictions attached to shares:**

**Equity shares:** Equity shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Details of shares held by each shareholder holding more than 5% shares in the Company:**

	As at March 31, 2023		As at March 31, 2022	
	%	No. of shares	%	No. of shares
Salman Yusuf Noorani & Anees Yusuf Noorani @	19.21	4,993,056	20.17	4,993,056
Asia Tangible Investments Pte Limited	12.14	3,154,882	12.74	3,154,882
Euro Global Holdings Pte Limited	12.14	3,154,882	12.74	3,154,882
Akash Bhanshali	-	-	1.62	401,700
Anees Yusuf Noorani	13.53	3,516,992	11.71	2,899,899
Salman Yusuf Noorani	12.69	3,298,437	10.83	2,681,344

@ Salman Yusuf Noorani and Anees Yusuf Noorani jointly holds 49,93,056 equity shares of the Company as Executors to the estate of Late Mr. Mohamed Yusuf Noorani.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**d) Details of shareholding of promoters:**

	Year Ended March 31, 2023			Year Ended March 31, 2022		
	Number of Shares	% of total number of shares	% change during the year	Number of Shares	% of total number of shares	% change during the year
Late Mohamed Yusuf Noorani \$	232,875	0.90	-	232,875	0.94	(95.94)
Salman Yusuf Noorani & Anees Yusuf Noorani \$	4,993,056	19.21	-	4,993,056	20.17	100.00
Salman Yusuf Noorani	3,298,437	12.69	18.71	2,681,344	10.83	-
Anees Yusuf Noorani	3,516,992	13.53	17.55	2,899,899	11.71	-
Euro Global Holdings Pte. Ltd.	3,154,882	12.14	-	3,154,882	12.74	-
Asia Tangible Investments Pte. Ltd.	3,154,882	12.14	-	3,154,882	12.74	-
Adnan Salman Noorani	200,000	0.77	-	200,000	0.81	-
Muna Anees Noorani	75	&	-	75	&	-
Zehra Salman Noorani	367	&	-	367	&	-
Musaed Anees Noorani	8,409	0.03	-	8,409	0.03	-
Awais Anees Noorani	75	&	-	75	&	-
Saniyya Anees Noorani	75	&	-	75	&	-
M Y Noorani 2007 Trust (Trustee - Anees Yusuf Noorani and Salman Yusuf Noorani)	607	&	-	607	&	-
<b>Total</b>	<b>18,560,732</b>	<b>71.41</b>	<b>-</b>	<b>17,326,546</b>	<b>69.97</b>	<b>-</b>

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Company issued any bonus shares or any shares for consideration other than cash.

	Year Ended March 31, 2023	Year Ended March 31, 2022
** Includes shares held by Late Mohammed Yusuf Noorani \$	18,990	18,990
a) as Trustee for and on behalf of Yusuf Noorani Family Trust	8,334	8,334
b) as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust	-	-

# During the year, the Company has allotted 12,34,186 equity shares of ₹ 10 each at a premium of ₹87.23 per equity share on preferential basis to the following promoters of the Company.

	Year Ended March 31, 2023	Year Ended March 31, 2022
Anees Yusuf Noorani	617,093	-
Salman Yusuf Noorani	617,093	-

@ Salman Yusuf Noorani and Anees Yusuf Noorani jointly holds 49,93,056 equity shares of the Company as Executors to the estate of Late Mr. Mohamed Yusuf Noorani. & Percentages are below the rounding off norms adopted by the Company



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**22 Other Equity**

	Reserves and Surplus						Other Comprehensive Income (OCI)			Total
	Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve		
<b>Balance as at April 01, 2021</b>	9,672.52	8.16	15.84	200.00	2,677.51	7,423.04	316.36	12.14	20,325.57	
<b>Loss for the year</b>	-	-	-	-	-	(988.11)	-	-	(988.11)	
Remeasurements Gain on net defined benefit plans	-	-	-	-	-	38.19	-	-	38.19	
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	535.29	-	535.29	
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	18.65	18.65	
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(12.14)	(12.14)	
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	(949.92)	535.29	6.51	(408.12)	
<b>Balance as at March 31, 2022</b>	9,672.52	8.16	15.84	200.00	2,677.51	6,473.12	851.65	18.65	19,917.45	
<b>Profit for the year</b>	-	-	-	-	-	1,579.28	-	-	1,579.28	
Remeasurements Gain on net defined benefit plan	-	-	-	-	-	91.16	-	-	91.16	
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	348.03	-	348.03	
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	(1.03)	(1.03)	
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(18.65)	(18.65)	
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	1,670.44	348.03	(19.68)	1,998.79	
<b>Transactions with owners in their capacity as owners:</b>										
On Issue of Equity Shares	1,076.58	-	-	-	-	-	-	-	1,076.58	
<b>Balance as at March 31, 2023</b>	10,749.10	8.16	15.84	200.00	2,677.51	8,143.56	1,199.68	(1.03)	22,992.00	

Purpose of Significant Reserves:

**Retained Earnings**

Retained Earnings are the Profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders

**Securities Premium**

Securities premium is used to record the premium on issue of shares, which is to be utilised in accordance with the provisions of the Act.

**Capital Redemption Reserve**

Represent reserve created during redemption of Preference Shares and it is a non-distributable reserve, which is to be utilised in accordance with provision of the Act.

**General Reserve**

The general reserve is a free reserve, retained from Company's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

**FVOCI - Equity Instruments**

The Company has elected to recognise changes in the fair value of investments in certain equity securities as other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are sold.

**Cash Flow Hedging Reserve**

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in the other comprehensive income in the cash flow hedging reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**23 Non-current borrowings**

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Guaranteed Emergency Credit Line (GECL)	536.97	814.53
<b>Total Non-current borrowings</b>	<b>536.97</b>	<b>814.53</b>
Less: Current maturities of long term debt (included in Note 24)	(277.33)	(277.33)
Less: Interest accrued but not due on borrowings (included in Note 26)	(0.86)	(1.09)
<b>Total Non-current borrowings (as per Balance Sheet)</b>	<b>258.78</b>	<b>536.11</b>

Refer Note 46 for liquidity risk

**Notes:**

Nature of Security and terms of repayment:

- (i) The loan is secured by way of second charge on all current assets of the Company.
- (ii) The loan carries an interest rate ranging from 8.25 % p.a./ 9.25 % p.a. (March 31, 2022: 8.25 % p.a. / 9.25% p.a.).
- (iii) The loan is repayable in 36 equated monthly instalments starting from the 13th month of their respective drawdown dates. Last installment in due on March 20, 2025.

**24 Current Borrowings**

	As at March 31, 2023	As at March 31, 2022
<b>From banks (Working Capital Loans):</b>		
In Indian Rupees		
- Rupee Picking Credit (RPC)	1,787.02	1,593.85
- Bank Overdraft	1,380.35	1,962.60
<b>From Related Parties:</b>		
Unsecured		
Loans from Directors (Refer Note 44)	-	383.39
<b>Total Current borrowings</b>	<b>3,167.37</b>	<b>3,939.84</b>
Less: Interest accrued but not due on borrowings (included in Note 26)	(3.27)	(7.17)
Current maturities of long term debt (Refer Note 23)	277.33	277.33
<b>Total Current borrowings</b>	<b>3,441.43</b>	<b>4,210.00</b>

**Nature of Security and terms of repayment:**

Current borrowings are secured against hypothecation of all current assets of the Company.

RPC is repayable within 180 days. Effective Interest rate ranging from 3.10% to 6.10% p.a. (March 31, 2022: 3.10% to 6.10% p.a.)

Bank Overdraft carries rate of interest ranging from 9.10 % p.a. to 9.50 % p.a. (March 31, 2022: 9.10 % to 9.50% p.a.)

Loans from Directors carries rate of interest of 8% p.a.

Refer Note 46 for liquidity risk.

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 39.

<b>Net debt reconciliation</b>	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	57.66	34.93
Current Borrowings (including interest accrued but excluding current maturities of long term debt)	(3,167.37)	(3,939.84)
Non Current Borrowings (including interest accrued and current maturities of long term debt)	(536.97)	(814.53)
Lease liabilities	(2,718.38)	(2,568.76)
<b>Net debt</b>	<b>(6,365.06)</b>	<b>(7,288.20)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including interest accrued)	Current borrowings (Including interest accrued)	Total
<b>Net Debt as at April 01, 2021</b>	<b>91.36</b>	<b>(4,592.58)</b>	<b>(832.00)</b>	<b>(3,565.21)</b>	<b>(8,898.43)</b>
Cash flows	(56.43)	675.14	18.56	(372.09)	265.18
Acquisitions - Leases	-	(53.01)	-	-	(53.01)
Termination - Leases	-	1,049.05	-	-	1,049.05
Covid-19 related Rent Concessions	-	352.64	-	-	352.64
Interest expense	-	(270.51)	(72.32)	(262.25)	(605.08)
Interest paid	-	270.51	71.23	259.71	601.45
<b>Net Debt as at March 31, 2022</b>	<b>34.93</b>	<b>(2,568.76)</b>	<b>(814.53)</b>	<b>(3,939.84)</b>	<b>(7,288.20)</b>
Cash flows	22.73	1,009.58	277.33	768.57	2,078.21
Acquisitions - Leases	-	(1,528.92)	-	-	(1,528.92)
Termination - Leases	-	349.59	-	-	349.59
Interest expense	-	(270.51)	(61.44)	(324.88)	(656.83)
Interest paid	-	290.64	61.67	328.78	681.09
<b>Net Debt as at March 31, 2023</b>	<b>57.66</b>	<b>(2,718.38)</b>	<b>(536.97)</b>	<b>(3,167.37)</b>	<b>(6,365.06)</b>

**25 Trade payables**

	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues of micro and small enterprises [Refer Note below]	12.40	34.62
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer Note 44]	244.53	200.96
- Others	2,042.72	2,578.53
<b>Total</b>	<b>2,299.65</b>	<b>2,814.11</b>

Refer Note 46 for information about liquidity risk and market risk of trade payables.

Aging of trade payables:

Undisputed trade payables	Unbilled Dues	Outstanding for following years from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>							
(i) MSME	-	7.36	5.04	-	-	-	12.40
(ii) Others	129.07	968.66	1,041.20	119.20	14.75	14.36	2,287.25
<b>Total</b>	<b>129.07</b>	<b>976.02</b>	<b>1,046.24</b>	<b>119.20</b>	<b>14.75</b>	<b>14.36</b>	<b>2,299.65</b>
<b>As at March 31, 2022</b>							
(i) MSME	-	-	28.67	5.95	-	-	34.62
(ii) Others	179.75	985.49	1,512.74	72.85	26.39	2.27	2,779.49
<b>Total</b>	<b>179.75</b>	<b>985.49</b>	<b>1,541.41</b>	<b>78.80</b>	<b>26.39</b>	<b>2.27</b>	<b>2,814.41</b>

There are no disputed trade payables.

Notes:

The Company has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:

	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11.97	31.77
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.43	2.85
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	56.57	82.91
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.46	5.45
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	0.43	2.85
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

Note: The above information is based on information available with the Company regarding the registration status of the suppliers as micro and small enterprises under MSMED Act.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 26 Other financial liabilities

Other non-current financial liabilities

	As at March 31, 2023	As at March 31, 2022
Security deposits	58.48	28.64
<b>Total</b>	<b>58.48</b>	<b>28.64</b>
<b>Other current financial liabilities</b>		
	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	4.13	8.26
Unclaimed dividends [Refer Note below]	3.15	5.98
Derivative financial instruments	1.89	-
Capital creditors	113.82	81.47
<b>Total</b>	<b>122.99</b>	<b>95.71</b>

**Notes:** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

### 27 Other liabilities

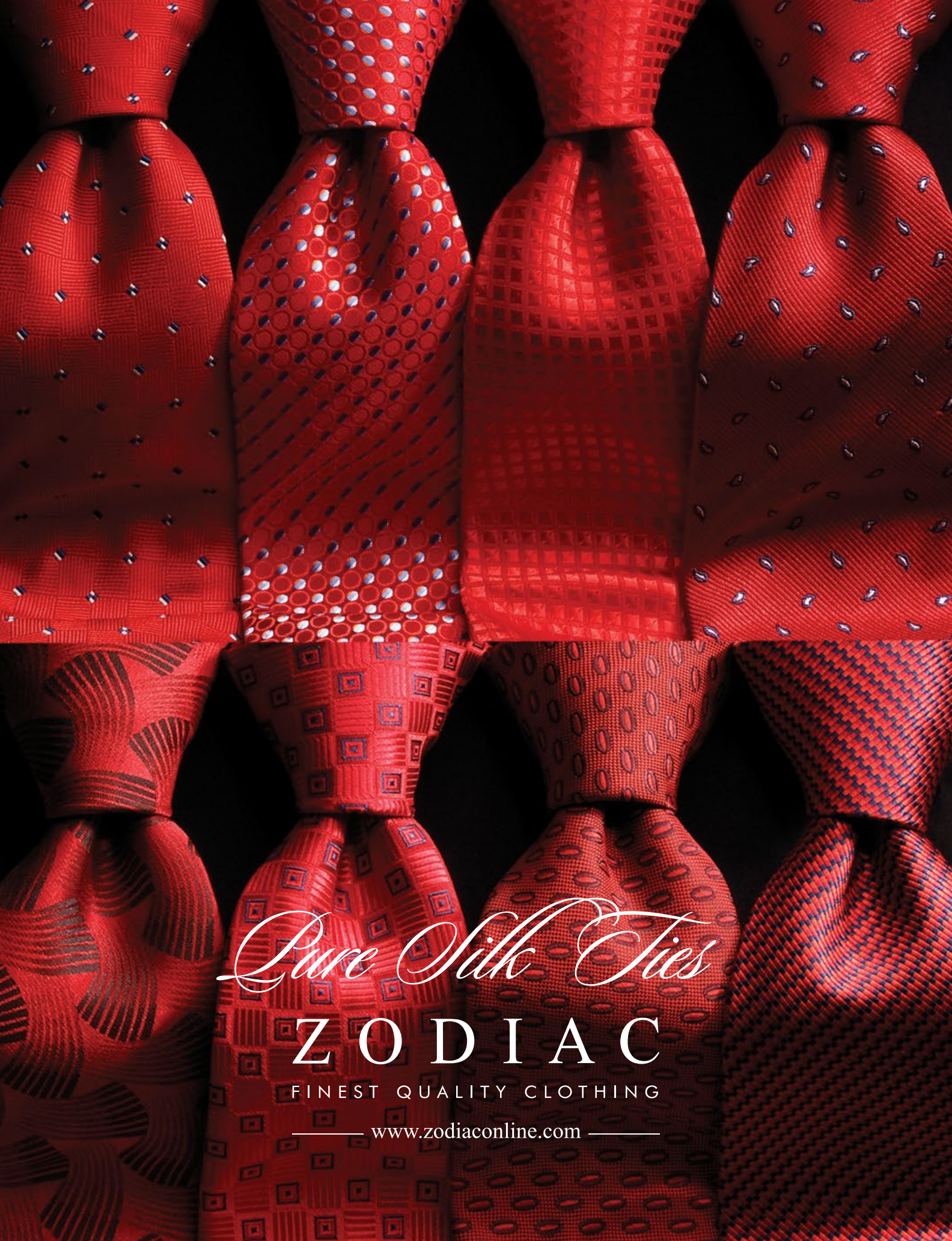
	As at March 31, 2023	As at March 31, 2022
<b>Other non-current liabilities</b>		
Deferred rent income	19.03	22.24
<b>Total</b>	<b>19.03</b>	<b>22.24</b>
<b>Other current liabilities</b>		
Contract liabilities - advance from customers *	26.92	15.31
Contract liabilities - advance rent	-	8.61
Statutory dues payable	67.36	108.46
Employee benefits payable	528.71	554.90
Refund liabilities #	62.00	62.00
Deferred rent income	3.21	3.21
<b>Total</b>	<b>688.20</b>	<b>752.49</b>

\* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

# Where a customer has a right to return a product within a given period, the Company recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled ₹62 Lakhs (March 31, 2022 – ₹62 Lakhs). The Company also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods ₹31 Lakhs (March 31, 2022 – ₹31 Lakhs) (Refer Note 19). The costs to recover the products are not material because the customers usually return them in a saleable condition.

### 28 Provisions

	As at March 31, 2023	As at March 31, 2022
<b>Non-current Provisions</b>		
Provision for employee benefits (Refer Note 42)		
- Compensated absences	52.79	95.95
<b>Total</b>	<b>52.79</b>	<b>95.95</b>



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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**29 Revenue from Operations**

	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
<b>Revenue from contracts with customers</b>		
- Sale of Products	16,185.02	12,159.61
- Sale of Services (Freight and Insurance)	146.01	185.32
<b>Other operating revenue</b>		
- Export Incentives	562.25	472.41
- Process waste sale	6.73	6.42
<b>Total</b>	<b>16,900.01</b>	<b>12,823.76</b>

(i) There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2023 and March 31, 2022.

<b>(ii) Reconciliation of revenue from contracts with customers recognised with contract price:</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Contract price	17,027.34	12,736.33
Adjustments for:		
Refund liabilities		
- Discounts and Rebates	(232.48)	(132.58)
- Sales returns	(463.83)	(258.82)
<b>Revenue from contract with customers</b>	<b>16,331.03</b>	<b>12,344.93</b>

**30 Other income**

	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Interest income		
- unwinding of discount on security deposit	46.05	58.73
- income tax refunds	0.71	91.77
- others	3.64	1.75
Dividend Income		
- subsidiary	-	671.89
- financial assets measured at fair value through profit or loss	12.61	7.73
- financial assets measured at fair value through Other Comprehensive Income	-	0.02
Rent income	308.96	202.99
Net gain on fair value / sale of financial assets measured at fair value through profit or loss *	272.48	1,638.48
Net gain / (loss) on foreign currency transactions and translation	-	14.57
Covid-19 related Rent Concessions	-	352.64
Gain on termination / remeasurement / modification of lease contracts	95.21	170.23
Miscellaneous income	8.45	27.69
<b>Total</b>	<b>748.11</b>	<b>3,238.49</b>

\* Includes unrealised fair value gain of ₹94.12 Lakhs, (₹1,414.27 Lakhs for year ended March 31, 2022)

**31 Cost of materials consumed**

	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Raw and packing materials at the beginning of the year	1,665.04	1,905.22
Purchases	6,418.69	4,709.02
Less: Sale of Raw and packing materials	-	(1.16)
Less: Raw and packing materials at the end of the year	(1,685.70)	(1,665.04)
<b>Total</b>	<b>6,398.03</b>	<b>4,948.04</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**32 Changes in inventories of finished goods, stock-in-trade and work-in-progress**

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening inventories</b>		
Finished goods	4,265.90	4,936.90
Stock-in-trade	541.41	608.53
Work-in-progress	164.16	106.08
	<b>4,971.47</b>	<b>5,651.51</b>
<b>Closing inventories</b>		
Finished goods	3,584.13	4,265.90
Stock-in-trade	363.71	541.41
Work-in-progress	164.69	164.16
	<b>4,112.53</b>	<b>4,971.47</b>
<b>Total</b>	<b>858.94</b>	<b>680.04</b>

**33 Employee benefits expense**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages, bonus etc.	3,553.39	3,343.93
Contribution to provident and other funds (Refer Note 42)	316.33	272.53
Gratuity Expenses (Refer Note 42)	61.09	63.27
Staff welfare expenses	48.43	60.48
<b>Total</b>	<b>3,979.24</b>	<b>3,740.21</b>

**34 Finance costs**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest expense on:		
- Term Loans	61.44	72.32
- Current Borrowings	324.88	262.25
- Lease Payments	290.64	270.51
- Others	5.71	11.77
<b>Total</b>	<b>682.67</b>	<b>616.85</b>

**35 Depreciation and amortization expense**

	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment (Refer Note 4(a))	672.62	688.19
Depreciation on right-of-use assets (Refer Note 4(c))	980.81	1,042.31
Depreciation on investment properties (Refer Note 5)	31.22	33.39
Amortization on intangible assets (Refer Note 6)	55.59	66.13
<b>Total</b>	<b>1,740.24</b>	<b>1,830.02</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 36 Other expenses

	Year Ended March 31, 2023	Year Ended March 31, 2022
Consumption of stores and spares	139.06	145.96
Power and fuel	210.20	185.35
Job Work Charges	425.81	257.82
Insurance	88.47	90.46
Repairs to buildings	91.48	72.15
Repairs to machinery	14.07	17.71
Repairs and maintenance - Others	281.50	270.17
Rent	737.33	588.16
Electricity expenses	247.23	213.98
Retail store maintenance expenses	404.92	384.88
Rates and taxes	122.41	215.56
Advertisement and sales promotion	473.20	202.46
Commission to selling agents	662.42	442.65
Freight and forwarding	941.85	986.06
Trade mark fees	68.12	48.56
Legal and professional expenses	262.56	214.19
Payments to auditors (Refer Note (i) below)	23.40	27.15
Travelling and conveyance	282.99	214.10
Director fees	30.60	24.10
Donations	10.00	2.75
Expenditure incurred for Corporate Social Responsibility (Refer Note (ii) below)	52.00	53.11
Exchange Fluctuation - Others	109.36	-
Allowance for doubtful debts, loans, advances and deposits etc. (net)	(15.00)	15.00
Bad debts, loans, advances, deposits etc. written off	13.54	27.87
Net Loss on sale/discard of property, plant and equipment	110.96	73.98
Bank charges	129.05	107.34
Security Charges	99.69	90.85
Miscellaneous Expenses	126.81	109.22
<b>Total</b>	<b>6,134.23</b>	<b>5,081.59</b>

Notes:

#### (i) Payments to auditors:

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>As auditor:</b>		
Audit fee	13.00	20.00
Limited Review fee	6.00	6.00
Certifications fee	1.64	0.75
Reimbursement of expenses	2.76	0.40
<b>Total</b>	<b>23.40</b>	<b>27.15</b>

#### (ii) Details of Corporate Social Responsibility (CSR) Expenditure:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Amount required to be spent as per Section 135 of the Act *		
Amount spent during the year on:	-	-
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	52.00	53.11
<b>Total</b>	<b>52.00</b>	<b>53.11</b>

\* The Company did not have profits in immediately preceding three financial years and therefore there is no amount required to be spent as per Section 135(5) of the Act in current year and previous year.

(a) Nature of CSR activities - Amount contributed for promoting healthcare including preventive healthcare in both the years.

(b) Related Party transaction for CSR - Nil (Previous year - Nil).

### 37 Exceptional Item

	Year Ended March 31, 2023	Year Ended March 31, 2022
Gain on Sale of Investment Properties (Net of Expenses) (Refer Note Below)	(3,901.09)	-
<b>Total</b>	<b>(3,901.09)</b>	<b>-</b>

**Note:** During the year ended March 31, 2023, the Company vide sale agreement dated February 07, 2023 has disposed off its Investment property situated at Plot No. 9, Part of Doddenakkundi I Phase Industrial Area, Bangalore together with structure standing thereon to a non-related party for a total consideration of ₹4,315.00 Lakhs, the net gain on sale of ₹3,901.09 Lakhs is recognised as exceptional item.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 38 Taxes

#### i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Current tax</b>		
Expense for the year	-	113.00
<b>Total current tax (A)</b>	-	<b>113.00</b>
<b>Deferred tax</b>		
Deferred tax credit	(64.47)	(23.07)
<b>Total deferred tax credit (B)</b>	<b>(64.47)</b>	<b>(23.07)</b>
<b>Total tax expense for the year (C) = (A + B)</b>	<b>(64.47)</b>	<b>89.93</b>
Tax in respect of earlier years (D)	1.02	14.42
<b>Total tax expense (C + D)</b>	<b>(63.45)</b>	<b>104.35</b>

#### ii) A reconciliation of the income tax expenses to the amount

	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit/ (Loss) before tax	1,515.83	(883.76)
Less: Set off Unabsorbed Depreciation	1,159.96	-
	355.87	-
Enacted income tax rate in India	27.82%	27.82%
<b>Tax expenses at enacted income tax rate</b>	<b>99.00</b>	<b>(245.86)</b>
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	88.57	19.18
Additional deduction for House Property Income under Income Tax	(25.25)	(16.47)
Differential tax rate in respect of income from capital gains	(247.31)	(211.23)
Differential due to indexation on Investment Properties		
Differential tax rate in respect of income from other sources		(74.77)
Deferred tax assets not recognised on business losses		402.08
Deferred tax assets not recognised on unabsorbed depreciation		235.08
Others	20.52	(18.08)
<b>Total Tax Expenses</b>	<b>(64.47)</b>	<b>89.93</b>

#### iii) Tax Assets

	As at March 31, 2023	As at March 31, 2022
Non-Current Tax Assets (net of provision of ₹2,762.57 Lakhs (As at March 31, 2022 ₹2,979.44 Lakhs))	1,158.93	1,079.44
<b>Total</b>	<b>1,158.93</b>	<b>1,079.44</b>

#### iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2023 and March 31, 2022:

	As at April 01, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2022	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2023
<b>Deferred tax assets/(liabilities)</b>							
Provision for employee benefits	23.75	2.94	-	26.69	(3.77)	-	22.92
Loss allowance	125.30	4.17	-	129.47	(6.90)	-	122.57
Property, plant and equipment and intangible assets	(496.40)	69.99	-	(426.41)	98.24	-	(328.17)
Lease Liabilities and Right-of-use assets	204.41	(18.00)	-	186.41	(27.70)	-	158.71
Unabsorbed Depreciation	1,564.92	456.36	-	2,021.28	(322.70)	-	1,698.58
Business Losses	292.06	(222.19)	-	69.87	(46.86)	-	23.01
Others	(149.16)	(270.20)	(23.07)	(442.43)	374.17	(64.47)	(132.73)
<b>Total</b>	<b>1,564.88</b>	<b>23.07</b>	<b>(23.07)</b>	<b>1,564.88</b>	<b>64.47</b>	<b>(64.47)</b>	<b>1,564.88</b>

**Significant Estimates:** Based on the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer, the company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the Company has recognized deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward unabsorbed depreciation and business losses as detailed below has not been considered for recognition of deferred tax asset. Further, deferred tax asset on business losses has been recognised to the extent of deferred tax liabilities.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**38 Taxes (Contd...)**

Assessment Year (A.Y.)	Business Loss			Unabsorbed Depreciation		
	As at March 31, 2023	As at March 31, 2022	Loss Carried forward for upto A.Y.	As at March 31, 2023	As at March 31, 2022	Loss Carried forward for upto A.Y.
2017 - 18	1,064.52	1,064.52	2025-26	1,224.55	1,224.55	} No Expiry
2018 - 19	1,890.73	1,890.73	2026-27	1,166.48	1,166.48	
2019 - 20	515.46	515.46	2027-28	1,056.32	1,056.32	
2020 - 21	2,052.63	2,052.63	2028-29	983.87	983.87	
2021 - 22	3,000.44	3,000.44	2029-30	871.83	871.83	
2022 - 23	2,243.96	2,243.96	2030-31	768.57	768.57	
2023 - 24	-	-		-	-	
Less - Deferred Tax Recognized	(82.71)	(251.16)		(6,105.62)	(7,265.57)	
<b>Unrecognized Amount</b>	<b>10,685.03</b>	<b>10,596.36</b>		-	-	

**39 Assets pledged as securities**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2023	As at March 31, 2022
<b>Floating Charge</b>		
<b>Current Assets</b>		
<b>Financial Assets</b>		
- Investments	3,164.08	165.66
- Trade receivables *	1,945.25	1,471.47
- Cash and cash equivalents	57.66	34.93
- Bank Balances other than cash and cash equivalents #	34.59	34.03
- Loans	3.49	4.55
- Others financial assets	63.44	109.31
	5,268.51	1,819.95
<b>Non Financial Assets</b>		
- Inventories	5,901.72	6,747.04
- Other current assets	2,822.60	2,775.25
	8,724.32	9,522.29
<b>Total assets</b>	<b>13,992.83</b>	<b>11,342.24</b>

\* Trade Receivables represent receivables excluding related parties trade receivables as per the terms of security.

# Excludes Unclaimed dividends - Earmarked balances with banks.

**40 Contingent liabilities, Contingent assets and commitments (to the extent not provided for):**

		As at March 31, 2023	As at March 31, 2022
<b>i</b>	<b>Contingent Liabilities</b>		
	a) Claims against the company not acknowledged as debts in respect of:		
	Income Tax matters (including TDS matters)	1,352.10	1,352.10
	Others matters	1.29	1.29

b) The Company has leasehold land (perpetual lease) and building thereon at Mumbai which was transferred to Company through amalgamation of Zodiac Finsec Holdings Limited (then wholly owned subsidiary of the Company) with the Company in Financial Year 2017- 18. Zodiac Finsec Holdings Limited was previously known as Multiplex Collapsible Tubes Limited. The Company have during the year initiated the process for transfer of its proportionate share in leasehold land which is situated at Mumbai in the Company's name as lessee. The amount of transfer fees, if any, is presently not ascertainable and cannot be reliably estimated and which will be known on completion of diligence exercise and determination by local authorities.

"The amounts shown in respect of above items represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent upon the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decision pending with various forums/authorities.

The Company does not expect any reimbursements in respect of above contingent liabilities."

**Significant Estimates:** The Company has litigations in respect of certain Income tax matters. The management does assessment of all outstanding matters and wherever required, further obtains legal advices including those relating to interpretation of law. Based on such assessment, it concludes whether a provision should be recognised or a disclosure should be made.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
<b>ii</b>	<b>Commitments</b>		
<b>(a)</b>	<b>Capital Commitments</b>		
	Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
	Property, plant and equipment	10.79	12.96
	Less: Capital advances (Refer Note 11)	(10.79)	(12.96)
	<b>Net Capital commitments *</b>	-	-
	* Refer Note 40 (i)(b)		
<b>(b)</b>	<b>Investment Commitments related to Venture Capital funds</b>		
	Investment Commitments related to Venture Capital funds	35.93	35.93

Investment commitment: contribution is to be made on “as needed” basis pursuant to drawdown notices issued by the respective funds over commitment period.

Mirage Marketing Company LLP (MMLP) vide Deed of Adherence (DOA) dated October 31, 2020 and January 30, 2021 executed in favour of Faering Capital India Evolving Fund II and the Company, has acquired Investment Commitment of class A units of Faering Capital India Evolving Fund amounting to ₹298.80 Lakhs from the Company and pursuant to which the Company is no longer committed for investment commitment to the extent of ₹298.80 lakhs.

**41 Earnings per share**

		Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic &amp; Diluted</b>			
Loss for the year	(A)	1,579.28	(988.11)
Weighted average number of equity shares outstanding	(B)	24,901,547	24,759,531
Basic and Diluted Earning / (Loss) Per Share (₹)	(A / B)	6.34	(3.99)
Nominal value per equity shares (in ₹)		10	10

**42 Post retirement benefit plans**

**I. I. Defined Benefit Plan - Gratuity:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of ₹20 Lakhs. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on March 31, 2023 and March 31, 2022, amounts recognised in the Standalone financial statements in respect of Employee Benefits Scheme:

**A Amount recognised in the Balance Sheet**

	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	891.45	952.59
Fair value of plan assets	(947.86)	(976.63)
<b>(Net plan surplus) / Net plan liability</b>	<b>(56.41)</b>	<b>(24.04)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**B Movement in plan assets and liabilities**

	Year ended March 31, 2023			Year ended March 31, 2022		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
<b>As at 1st April</b>	976.63	952.59	24.04	996.60	981.30	15.30
Current service cost	-	62.76	(62.76)	-	64.26	(64.26)
Interest cost	-	66.30	(66.30)	-	63.19	(63.19)
Interest income	67.97	-	67.97	64.18	-	64.18
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	(1.16)	1.16
Actuarial (gain)/loss arising from changes in financial assumptions	-	(28.71)	28.71	-	(33.96)	33.96
Actuarial (gain)/loss arising from experience adjustments	-	(65.51)	65.51	-	(4.09)	4.09
Return on plan assets excluding actual return of plan assets	(3.05)	-	(3.05)	(1.02)	-	(1.02)
Employer contributions	2.29	-	2.29	33.82	-	33.82
Benefit payments	(95.98)	(95.98)	-	(116.95)	(116.95)	-
<b>As at 31st March</b>	<b>947.86</b>	<b>891.45</b>	<b>56.41</b>	<b>976.63</b>	<b>952.59</b>	<b>24.04</b>

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2023	As at March 31, 2022
Active members (in nos.)	1161	1,237
Retired Members (in nos.)	55	57
The weighted average duration of the defined benefit obligations	8 years	8 years
Expected contribution to the Fund in next year (₹ in lakhs)	0.95	38.72

**C Standalone Statement of Profit and Loss**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Employee Benefits Expense:</b>		
Current service cost	62.76	64.26
Net Interest expense/(income)	(1.67)	(0.99)
<b>Amount recognised in Standalone Statement of Profit and Loss</b>	<b>61.09</b>	<b>63.27</b>
<b>Remeasurements of the net defined benefits liability:</b>		
Actuarial gain arising from changes in demographic assumptions	-	(1.16)
Actuarial gains arising from changes in financial assumptions	(28.71)	(33.96)
Experience gains	(65.51)	(4.09)
Return on plan assets excluding actual return on plan assets	3.05	1.02
<b>Amount recognised in Other Comprehensive Income - loss/ (gain)</b>	<b>(91.17)</b>	<b>(38.19)</b>

Total impact of remeasurement of net defined benefit plan expense recognised through Other Comprehensive Income as at March 31, 2023 and included in Retained earnings is ₹3.32 lakhs (Previous Year: ₹87.84 lakhs)

**D Assets**

	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Insurer managed Fund	947.86	976.63
<b>Total</b>	<b>947.86</b>	<b>976.63</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### E Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions	As at March 31, 2023	As at March 31, 2022
	Discount rate	7.46%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	7.46%	6.96%
Attrition Rate	For service period 5 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.	For service period 5 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.

\* Taking into account inflation, seniority, promotion and other relevant factors.

### Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14) Urban table Indian Assured Lives Mortality (2012-14) Urban table

### F Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2023		As at March 31, 2022	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(52.45)	59.27	(59.36)	67.42
Salary Escalation Rate	1%	57.06	(51.75)	64.18	(57.92)
Attrition Rate	1%	9.89	(11.07)	9.15	(10.28)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

### G. The defined benefit obligations (undiscounted) shall mature after the end of reporting period is as follows:

	As at March 31, 2023	As at March 31, 2022
1st Following Year	79.06	90.06
2nd Following Year	107.85	76.37
3rd Following Year	91.33	118.93
4th Following Year	69.24	92.16
5th Following Year	99.52	66.12
Sum of Years 6 to 10	455.71	466.52
Thereafter	718.78	796.73

### H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.

### II. Compensated absences

The compensated absences obligations cover the Company's liability for leave, which is actuarially valued at each year end by applying the assumptions referred in 'E' above.

The amount of the provision of ₹52.79 lakhs (as at March 31, 2022: ₹95.95 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement of these obligations.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### III. Details of Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. which are administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are ₹316.33 lakhs (Previous year ₹272.53 lakhs) in the Standalone Statement of Profit and Loss.

43 In accordance with Accounting Standard Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements of Zodiac Clothing Company Limited, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

### 44 Related Party Disclosures under IND AS 24

#### 1. Relationships:

##### Entities where control exists:

(a) Subsidiary Companies (including step down subsidiaries):

		Ownership Interest	
		March 31, 2023	March 31, 2022
(i) Zodiac Clothing Company S. A.	Switzerland	100	100
(ii) Zodiac Clothing Co (U.A.E.) LLC * (Subsidiary of (i) above)	UAE	100	100
(iii) Zodiac Clothing Bangladesh Limited (Subsidiary of (ii) above)	Bangladesh	100	100
(iv) Zodiac Clothing Company INC. (w.e.f. May 11, 2021) (Subsidiary of (ii) above)	USA	100	100

##### Other related parties:

(b) Key Management Personnel:

Mr. A. Y. Noorani	Non Executive Director
Mr. S. Y. Noorani	Managing Director
Mr. V. M. Apte	Independent Director
Mr. Y. P. Trivedi	Independent Director
Mr. S. R. Iyer	Independent Director
Mr. Bernhard Steinruecke	Independent Director
Ms. Elizabeth Jane Hulse	Independent Director
Mr. Naushad Forbes	Independent Director

(c) Relatives of key management personnel with whom the transactions have taken place:

Mr. Awais A. Noorani	Son of Mr. A. Y. Noorani
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(d) Enterprises over which key management personnel and / or their relatives are able to exercise significant influence and with whom transactions have taken place:

Zodiac Metropolitan Clothing Gmbh	Germany
Metropolitan Trading Company	India
Montage Corporation	India
Munraz Enterprises	India
Mustang Manufacturing Company	India
Mashal Enterprises	India
Miraj Marketing Company LLP	India

(e) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme

\* The shareholders of the company are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.



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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**44 Related Party Disclosures under IND AS 24 (Contd.....)**

**2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:**

Nature of transactions	Related Parties									
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Referred in 1(d) above		Referred in 1(e) above	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contracts with customers</b>										
Sale of Goods and Services	1,368.09	768.70	-	-	-	-	1,771.11	1,456.94	-	-
<b>Other Income</b>										
Rent	-	-	-	-	-	-	6.75	9.00	-	-
Dividend Income	-	671.89	-	-	-	-	-	-	-	-
<b>Employees benefit expenses *</b>										
Interest Expense	-	-	-	-	47.92	44.88	-	-	-	-
<b>Other Expenses</b>										
Rent	-	-	45.15	6.21	-	-	-	-	-	-
Commission to selling agents	-	-	23.25	14.93	-	-	118.97	116.54	-	-
Director Fees	-	-	-	-	-	-	161.79	130.62	-	-
Trade Mark Fees	-	-	30.60	24.10	-	-	68.12	48.56	-	-
<b>Others</b>										
Reimbursement of Expenses from	-	-	-	-	-	-	6.58	6.07	-	-
Reimbursement of Expenses to	-	-	-	-	-	-	4.67	4.51	-	-
<b>Gratuity Fund contribution</b>										
Gratuity Fund contribution	-	-	-	-	-	-	-	-	2.29	33.82
<b>Loan Received</b>										
Loan Repaid	-	-	911.75	378.25	-	-	-	-	-	-
<b>Issue of Share Capital (including securities premium)</b>										
Issue of Share Capital	1,200.00	-	1,290.00	-	-	-	-	-	-	-

\* This aforesaid amount does not include amount in respect of gratuity and compensated absences as the same is not determinable on individual basis and hence considered for disclosure on payment basis.

**3. Balances with related parties referred in 1 above, in ordinary course of business:**

Nature of transactions	Related Parties									
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Referred in 1(d) above			
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		
<b>Outstandings:</b>										
Current Borrowings	-	-	-	-	-	-	378.25	-	-	-
Trade Payables	42.42	12.68	42.42	12.68	14.39	14.11	187.72	174.17	-	-
Other Current Liabilities	-	-	-	-	81.06	79.14	-	-	-	-
- Employee benefits payable	-	-	-	-	-	-	-	-	-	-
- Contract Liabilities - Advance from customers	-	-	-	-	-	5.14	-	-	-	-
Other Current Financial Liabilities	-	-	-	-	-	-	-	-	-	-
- Interest accrued but not due	-	-	-	-	-	-	-	-	-	-
Other non current financial asset (Security Deposit given)	-	-	-	-	-	22.50	45.50	127.50	-	-
Trade Receivables	124.57	81.21	124.57	81.21	-	-	387.91	493.80	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**44 Related Party Disclosures under IND AS 24 (Contd....)**

**4. Disclosure in respect of material transactions with related parties during the year (included in 2 above)**

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers:		
- Zodiac Clothing Co (U.A.E.) LLC	349.72	454.73
- Zodiac Clothing Company INC.	1,018.36	313.97
- Zodiac Metropolitan Clothing Gmbh	1,719.51	1,415.41
- Mashal Enterprises	51.60	41.53
Other Income:		
Rent		
- Metropolitan Trading Company	6.75	9.00
Dividend Income		
- Zodiac Clothing Company S.A.	-	671.89
Expenses:		
Employees benefit expenses		
- Mr. Awais A. Noorani	47.92	44.88
Interest expense		
- Mr. A. Y. Noorani	21.61	2.23
- Mr. S. Y. Noorani	23.55	3.98
Rent Expense		
- Metropolitan Trading Company	93.54	92.01
-Mustang Manufacturing Company	7.08	7.08
- Munraz Enterprises	17.34	16.41
-Montage Corporation	1.01	1.04
Commission to selling agents		
- Zodiac Metropolitan Clothing Gmbh	161.79	130.62
Director Fees		
- Mr. V. M. Apte	8.30	6.80
- Mr. Y. P. Trivedi	7.90	6.40
- Mr. S. R. Iyer	8.30	6.80
- Mr. Bernhard Steunruecke	3.90	2.40
- Mr. Naushad Forbes	1.70	1.20
- Ms. Elizabeth Jane Hulse	0.50	0.50
Trade Mark Fees		
- Metropolitan Trading Company	68.12	48.56
Others		
Reimbursement of Expenses from		
- Mashal Enterprises	6.58	6.07
Reimbursement of Expenses to		
- Munraz Enterprises	4.67	4.51
Gratuity Fund contribution		
- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	2.29	33.82
Loan Received		
- Mr. A. Y. Noorani	554.25	128.25
- Mr. S. Y. Noorani	357.50	250.00
Loan Repaid		
- Mr. A. Y. Noorani	682.50	-
- Mr. S. Y. Noorani	607.50	-
Issue of Share Capital (including securities premium)		
- Mr. A. Y. Noorani	600.00	-
- Mr. S. Y. Noorani	600.00	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 44 Related Party Disclosures under IND AS 24 (Contd....)

#### 5. Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)

	As at March 31, 2023	As at March 31, 2022
<b>Outstandings:</b>		
<b>Current borrowings</b>		
- Mr. A. Y. Noorani	-	128.25
- Mr. S. Y. Noorani	-	250.00
<b>Trade Payables</b>		
- Zodiac Clothing Co (U.A.E.) LLC.	42.42	12.68
- Zodiac Metropolitan Clothing Gmbh	6.44	26.70
- Metropolitan Trading Company	127.30	120.90
- Munraz Enterprises	45.17	21.78
- Montage Corporation	2.03	1.01
- Mustang Manufacturing Company	6.78	3.78
- Mr. A. Y. Noorani - Payable for Rent	6.35	7.37
- Mr. S. Y. Noorani - Payable for Rent	8.04	6.73
<b>Other Current Liabilities - Employee benefits payable</b>		
- Mr. S. Y. Noorani - Remuneration	81.06	79.14
<b>Other Current Financial Liabilities - Interest accrued but not due</b>		
- Mr. A. Y. Noorani - Payable for Interest	-	1.56
- Mr. S. Y. Noorani - Payable for Interest	-	3.58
<b>Security Deposit</b>		
- Metropolitan Trading Company	33.00	115.00
- Munraz Enterprises	10.00	10.00
- Mustang Manufacturing company	2.50	2.50
- Mr. A. Y. Noorani	-	11.25
- Mr. S. Y. Noorani	-	11.25
<b>Trade Receivables</b>		
- Zodiac Metropolitan Clothing Gmbh	381.96	490.81
- Zodiac Clothing Company INC.	12.11	81.21
- Mashal Enterprises	5.95	2.99

#### Terms and Conditions:

“Transactions were done in ordinary course of business and on normal terms and conditions.

Outstanding balances are unsecured and repayable in cash.

Refer Note 40(ii)(b) in respect of transfer of Investment commitment by the Company to a related party.”

### 45 Fair Value Measurement:

#### (i) Financial Instrument by category and hierarchy.

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

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

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, current loans, trade payables and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for (security deposits) were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk. The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.

The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2023	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
<b>Financial Assets</b>											
<b>Investments</b>											
- Equity instruments *	1,478.08	-	1,478.08	-	-	-	-	1,478.08	-	-	1,478.08
- Mutual funds	-	3,164.08	3,164.08	3,164.08	-	-	-	-	-	-	3,164.08
- Venture capital fund	3,695.95	-	3,695.95	-	-	3,695.95	-	-	-	-	3,695.95
	<b>5,174.03</b>	<b>3,164.08</b>	<b>8,338.11</b>	<b>3,164.08</b>	-	<b>3,695.95</b>	-	<b>1,478.08</b>	-	-	<b>8,338.11</b>
<b>Other Assets</b>											
- Loans to Employees	8.43	3.49	11.92	-	-	-	-	-	-	11.92	11.92
- Security Deposits	-	-	-	-	-	-	-	-	-	-	-
- Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
- Other Financial Assets	1,017.58	63.44	1,081.02	-	-	-	-	-	-	1,081.02	1,081.02
- Trade receivable	-	2457.73	2,457.73	-	-	-	-	-	-	2,457.73	2,457.73
- Cash and Cash equivalents	-	57.66	57.66	-	-	-	-	-	-	57.66	57.66
- Bank Balances other than cash and cash equivalents	-	37.74	37.74	-	-	-	-	-	-	37.74	37.74
	<b>1,026.01</b>	<b>2,620.06</b>	<b>3,646.07</b>	-	-	-	-	-	-	<b>3,646.07</b>	<b>3,646.07</b>
<b>Financial Liabilities</b>											
- Borrowings	258.78	3,441.43	3,700.21	-	-	-	-	-	-	3,700.21	3,700.21
- Derivative financial instruments	-	1.89	1.89	-	0.86	-	-	1.03	-	-	1.89
- Other Financial Liabilities	58.48	121.1	179.58	-	-	-	-	-	-	179.58	179.58
- Trade Payables	-	2,299.65	2,299.65	-	-	-	-	-	-	2,299.65	2,299.65
	<b>317.26</b>	<b>5,864.07</b>	<b>6,181.33</b>	-	<b>0.86</b>	-	-	<b>1.03</b>	-	<b>6,179.44</b>	<b>6,181.33</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2022	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
<b>Financial Assets</b>											
<b>Investments</b>											
- Equity instruments *	1,058.50	-	1,058.50	-	-	-	-	-	1,058.50	-	1,058.50
- Mutual funds	-	165.66	165.66	165.66	-	-	-	-	-	-	165.66
- Venture capital fund	3,784.00	-	3,784.00	-	3,784.00	-	-	-	-	-	3,784.00
	<b>4,842.50</b>	<b>165.66</b>	<b>5,008.16</b>	<b>165.66</b>	<b>-</b>	<b>3,784.00</b>	<b>-</b>	<b>-</b>	<b>1,058.50</b>	<b>-</b>	<b>5,008.16</b>
<b>Other Assets</b>											
- Loans to Employees	9.83	4.55	14.38	-	-	-	-	-	-	14.38	14.38
- Security Deposits	-	-	-	-	-	-	-	-	-	-	-
- Derivative financial instruments	-	38.36	38.36	-	12.52	-	-	25.84	-	-	38.36
- Other Financial Assets	1,104.14	70.95	1,175.09	-	-	-	-	-	-	1,175.09	1,175.09
- Trade receivable	-	2,046.48	2,046.48	-	-	-	-	-	-	2,046.48	2,046.48
- Cash and Cash equivalents	-	34.93	34.93	-	-	-	-	-	-	34.93	34.93
- Bank Balances other than cash and cash equivalents	-	40.01	40.01	-	-	-	-	-	-	40.01	40.01
	<b>1,113.97</b>	<b>2,235.28</b>	<b>3,349.25</b>	<b>-</b>	<b>12.52</b>	<b>-</b>	<b>-</b>	<b>25.84</b>	<b>-</b>	<b>3,310.89</b>	<b>3,349.25</b>
<b>Financial Liabilities</b>											
- Borrowings	536.11	4,210.00	4,746.11	-	-	-	-	-	-	4,746.11	4,746.11
- Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
- Other Financial Liabilities	28.64	95.71	124.35	-	-	-	-	-	-	124.35	124.35
- Trade Payables	-	2,814.11	2,814.11	-	-	-	-	-	-	2,814.11	2,814.11
	<b>564.75</b>	<b>7,119.82</b>	<b>7,684.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,684.57</b>	<b>7,684.57</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(ii) Fair value of financial assets and liabilities measured at amortised cost:**

Foreign currency	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investment others				
- Loans to Employees	11.92	10.94	14.38	13.19
- Security Deposits	992.52	1,014.02	1,126.03	1,223.25
<b>Total</b>	<b>1,004.44</b>	<b>1,024.96</b>	<b>1,140.41</b>	<b>1,236.44</b>

\* The above disclosure excludes non-current investment in subsidiary that is accounted at cost and hence not considered.

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

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date
- net asset value ('NAV') / fair market value ('FMV') are determined based on audited financial statements / valuation reports / NAV / FMV provided by fund manager
- the fair value of remaining financial instrument is determined using discounted cash flow analysis.

**(iv) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

	Venture Capital Fund*
<b>As at April 01, 2021</b>	<b>2,498.10</b>
Acquisitions	-
Disposal	(333.10)
Gain recognised in statement of profit and loss	1,619.00
<b>As at March 31, 2022</b>	<b>3,784.00</b>
Acquisitions	-
Disposal	(327.05)
Gain recognised in statement of profit and loss	239.00
<b>As at March 31, 2023 (Refer note 8)</b>	<b>3,695.95</b>

\*The Company has invested in following funds and these funds have been further invested into various companies.

1. Faering Capital India Evolving Fund
2. Paragon Partners Growth Fund - I
3. Faering Capital India Evolving Fund II
4. Tata Capital Growth Fund
5. Tata Capital Healthcare Fund

The Company has considered fair market values based on audited financial statement and/or valuation reports and/or NAV / FMV statements provided by venture capital fund.

Investment commitment in respect of venture capital funds are on "as needed" basis and will be at face value.

[Refer Note 40(ii)(b)]



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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 46 Financial Risk Management:

#### Financial risk management objectives and policies

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 Management.

#### (A) 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, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, future committed transactions, foreign currency receivables, payables, borrowings etc.

The Company manages market risk through its finance department (headed by CFO), which evaluates and exercises independent control over the entire process of market risk management. The finance department recommend 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 like foreign exchange forward contracts, option contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

#### Market Risk- Interest rate risk.

“Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio, which could vary on either side based on current interest rates scenario.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.”

#### Exposure to interest rate risk

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings	3,700.21	4,746.11
% of Borrowings out of above bearing variable rate of interest	85.51%	74.78%

#### Interest rate sensitivity

#### A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2022-2023	2021-2022
50 bp increase- increase in loss *	15.82	17.75
50 bp decrease- decrease in loss *	(15.82)	(17.75)

\* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

#### Market Risk- Foreign currency risk

“The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales, purchases etc. in various foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts and option contracts to hedge exposure to foreign currency risk.”



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Derivative instruments and unhedged foreign currency exposure****(a) Derivative outstanding as at the reporting date**

(Foreign Currency in Lakhs)

Foreign currency	As at March 31, 2023		As at March 31, 2022	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	53.06	-	35.64	-
Forward Contracts EURO	7.01	-	2.34	-
Forward Contracts GBP	3.69	-	6.72	-

Derivative financial instruments such as foreign exchange forward and option contracts are used for hedging purposes and not as trading or speculative instruments. The Company designates these hedging instruments as cash flow hedges to hedge foreign currency risk in cash flow from firm commitment (sales order/purchase orders).

**(b) Particulars of unhedged foreign currency exposures as at the reporting date**

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Trade payables	2.09	-	-	5.29	0.04	-

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Trade Receivables	16.75	6.35	3.99	6.16	0.93	2.71

\*\* Amount is below the rounding off norms adopted by the Company.

**Foreign Currency Risk Sensitivity****A change of 5% in Foreign currency would have following Impact on loss before tax**

Particulars	2022-23		2021-22	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(60.18)	60.18	(3.31)	3.31
EURO	(26.20)	26.20	(3.77)	3.77
GBP	(20.29)	20.29	(13.50)	13.50
<b>Increase / (decrease) in loss</b>	<b>(106.67)</b>	<b>106.67</b>	<b>(20.58)</b>	<b>20.58</b>

**Market Risk- Price Risk****(a) Exposure**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of portfolio is done in accordance with limits set by the Company.

**(b) Sensitivity**

(i) The table below summarises the impact of increases/decreases of the BSE index on the Company's equity and other comprehensive income for the year arising from portfolio of investment in equity shares of listed companies. The analysis is based on the assumption that the index has increased by 10 % or decreased by 10 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Impact on Other Comprehensive Income	
	March 31, 2023	March 31, 2022
BSE Sensex 30- Increase 10%	147.81	105.85
BSE Sensex 30- Decrease 10%	(147.81)	(105.85)

Above referred sensitivity pertains to quoted equity investment (Refer Note 8). Other Comprehensive Income for the year would increase/ (decrease) as a result of gains/losses on equity securities as at fair value through Other Comprehensive Income.

- (ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) / fair market value (FMV) of Company's investment in venture capital fund units and statement of profit and loss for the year arising from portfolio of investment in venture capital funds. The analysis is based on the assumption that the NAV / FMV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's venture capital funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2023	March 31, 2022
- Increase 10%	369.60	378.40
- Decrease 10%	(369.60)	(378.40)

\*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

- (ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) of Company's investment in mutual fund units and statement of profit and loss for the year arising from portfolio of investment in mutual funds. The analysis is based on the assumption that the NAV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's mutual funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2023	March 31, 2022
- Increase 10%	316.41	16.57
- Decrease 10%	(316.41)	(16.57)

\*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

**(B) Credit risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from trade receivables, cash and cash equivalents, deposit with banks, derivative financial instruments, investments, loan to employee and security deposits. The Company manages and analyses the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents, deposit with banks, derivative financial instruments and investment is limited as Company generally deals with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual and accredited venture fund.

While loans and security deposits for rental premises are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

- (i) Credit risk management:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

“Sale to retail customers are required to be settled in cash or using major cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors or regions.

In respect of sales to export customers, there are no past history of losses, thus the identified expected credit loss was immaterial.

Credit risk for domestic trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business.”

**Loss allowance for expected credit losses**

**The Company provides for expected credit loss on domestic trade receivables for indian operations under simplified approach**

**As at March 31, 2023**

<b>Ageing</b>	<b>Total</b>
Gross carrying amount	448.05
Expected Credit loss - measured at life -time expected credit loss	398.60
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>49.45</b>

**As at March 31, 2022**

<b>Ageing</b>	<b>Total</b>
Gross carrying amount	580.13
Expected Credit loss - measured at life -time expected credit loss	413.60
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>166.53</b>

**Reconciliation of loss allowance – Trade receivables**

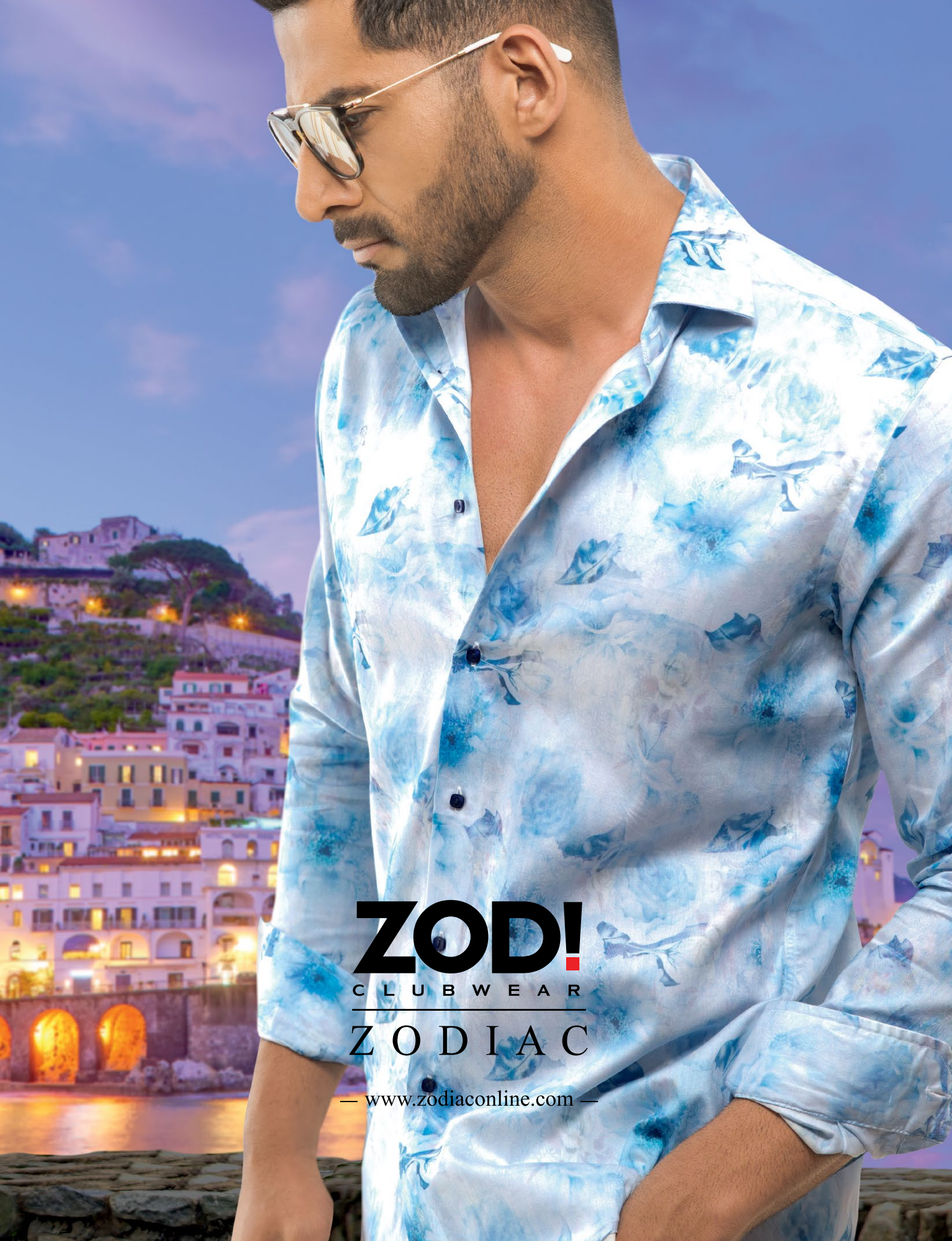
<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Opening provision</b>	413.60	398.60
Add:- Additional provision made	(15.00)	15.00
<b>Closing provisions</b>	<b>398.60</b>	<b>413.60</b>

No Significant changes in estimation techniques or assumptions were made during the year.

**Significant estimates and judgements:**

Impairment of financial assets

The impairment provision for financial assets disclosed above are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Floating Rate		
Expiring within one year (Current Borrowing facilities)	1,835.90	1,445.58
Expiring beyond one year (bank loans)	-	-

The bank loan facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the non-continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

**ii) Maturity patterns of borrowings**

Particulars	As at March 31, 2023				As at March 31, 2022			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Non current borrowings (Including current maturity of long term debt)	277.33	258.78	-	536.11	277.33	536.11	-	813.44
Current borrowings	3,164.10	-	-	3,164.10	3,932.67	-	-	3,932.67
<b>Total</b>	<b>3,441.43</b>	<b>258.78</b>	<b>-</b>	<b>3,700.21</b>	<b>4,210.00</b>	<b>536.11</b>	<b>-</b>	<b>4,746.11</b>

**Maturity patterns of Financial Liabilities - other than borrowings**

As at March 31, 2023	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	1,481.88	423.46	246.00	148.31	2,299.65
Lease Liabilities	348.14	203.52	409.16	1,757.55	2,718.38
Other Financial Liabilities	119.84	-	3.15	58.48	181.47
<b>Total</b>	<b>1,949.86</b>	<b>626.98</b>	<b>658.31</b>	<b>1,964.34</b>	<b>5,199.50</b>

As at March 31, 2022	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	1,998.88	815.23	-	-	2,814.11
Lease Liabilities	453.69	180.45	351.95	3,079.96	4,066.05
Other Financial Liabilities	89.73	-	5.98	28.64	124.35
<b>Total</b>	<b>2,542.30</b>	<b>995.68</b>	<b>357.93</b>	<b>3,108.60</b>	<b>7,004.51</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**46 Financial risk management (contd.)**

**Impact of Hedging Activities**

**(a) Disclosure of effects of hedge accounting on financial position:**

**Cash flow hedge of Foreign exchange risk as at March 31, 2023:**

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	5,310.00	(1.41)	1:1	(1.41)	(1.41)

**Cash flow hedge of Foreign exchange risk as at March 31, 2022:**

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	2,504.75	25.84	1:1	25.84	25.84

**(b) Disclosure of effects of hedge accounting on financial performance:**

**Cash flow hedge March 31, 2023**

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	(1.41)	-	(25.84)	Revenue
Foreign exchange risk - Options contracts	-	-	-	Revenue
	<b>(1.41)</b>	-	<b>(25.84)</b>	

**Cash flow hedge March 31, 2022**

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	25.84	-	(14.08)	Revenue
Foreign exchange risk - Options contracts	-	-	(2.64)	Revenue
	<b>25.84</b>	-	<b>(16.72)</b>	

Amount in bracket represents expense/ loss

\* The foreign exchange forward contracts and option contract are denominated in the same currency as the firm commitment (sales order/purchase orders), therefore the hedge ratio is 1:1.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Movements in cash flow hedging reserve**

Derivative Instrument	Foreign exchange forward contracts - SELL	Foreign exchange forward contracts - BUY	Foreign exchange options	Total
<b>Balance – As at April 01, 2021</b>	<b>10.22</b>	-	1.92	12.14
Change in fair value of foreign exchange forward contract	25.84	-	-	<b>25.84</b>
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	<b>(14.08)</b>	-	<b>(2.64)</b>	<b>(16.72)</b>
Deferred tax relating to the above (net)	(3.33)	-	0.72	<b>(2.61)</b>
<b>Balance – As at March 31, 2022</b>	<b>18.65</b>	-	-	<b>18.65</b>
Change in fair value of foreign exchange forward contract	(1.41)	-	-	<b>(1.41)</b>
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(25.84)	-	-	<b>(25.84)</b>
Deferred tax relating to the above (net)	7.57	-	-	<b>7.57</b>
<b>Balance – As at March 31, 2023</b>	<b>(1.03)</b>	-	-	<b>(1.03)</b>

Amount in bracket represents expense/ loss

**47 Capital Management:**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Company is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company’s management monitors the return on capital as well as the level of dividends to shareholders.

**48** The Code on Social Security, 2020 (‘Code’) relating to employee benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**49 Additional Regulatory Information as required by Schedule III:**

**a) Analytical Ratios:**

Sr. No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance
(i)	Current ratio	Current assets	Current liabilities	1.92	1.36	41%
(ii)	Debt-Equity ratio (in times)	Total Debt (Non Current and Current- Borrowings and Lease Liabilities)	Total equity	0.25	0.33	-23%
(iii)	Debt Service Coverage ratio	Earning for Debt Service = Loss for the year + Depreciation and ammortisation expenses + Finance cost	Debt service = Finance cost + Principal repayment of lease liabilities and borrowing	1.64	1.11	48%
(iv)	Return on Equity ratio (%)	Profit / (Loss) for the year	Average shareholder's equity	6.58%	-4.37%	251%
(v)	Inventory turnover ratio	Cost of goods sold= Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress	Average inventories	1.10	0.79	40%
(vi)	Trade Receivables turnover ratio	Revenue from operations (excluding export incentives)	Average trade receivables	9.08	6.64	37%
(vii)	Trade payables turnover ratio	Purchase of Raw Materials+ Purchases of stock-in-trade+ Other expenses	Average trade payables	5.00	3.81	31%
(viii)	Net capital turnover ratio	Revenue from operations	Average working capital	3.34	3.39	-1%
(ix)	Net profit ratio (%)	Profit / (Loss) for the year	Total Income	8.95%	-6.15%	245%
(x)	Return on capital employed (%)	Earning before interest and taxes	Capital employed = Tangible Net Worth (Total equity) + Total Debt	6.90%	-0.90%	864%
(xi)	Return on investment (%)	Net gain on fair value / sale of financial assets measured at fair value through profit or loss + Equity Instruments through Other Comprehensive Income	Average investments (Non-current and Current)	10.37%	50.85%	-80%



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Reasons for variance of more than 25% in above ratios -**

Sr. No.	Ratio	Reasons for the Variances
(a)(1)	Current ratio	The Change in ratio compared to previous year is due to increase in Current assets and decrease in Current liabilities.
(a)(2)	Debt Service Coverage ratio	Earnings for debt service changed due to higher debt repayment in current year as compared to previous year.
(a)(3)	Return on Equity ratio	The Change in ratio compared to previous year is due to increase in profit for the year.
(a)(4)	Inventory turnover ratio	The Change in ratio compared to previous year is due to increase in sale and focus of management on reducing the inventory levels.
(a)(5)	Trade receivables turnover ratio	The Change in ratio compared to previous year is due to increase in sales and decline in Trade receivables.
(a)(6)	Trade payables turnover ratio	The Change in ratio compared to previous year is due to increase in Purchases for the year.
(a)(7)	Net profit ratio	The Change in ratio compared to previous year is due to increase in profit for the year.
(a)(8)	Return on capital employed	The Change in ratio compared to previous year is due to increase in profit for the year.
(a)(9)	Return on investment	Due to change in market condition returns on investments in venture funds and equity instruments.

**b) “Details of benami property held:**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.”

**c) “Borrowing secured against current assets:**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.”

**d) “Wilful defaulter:**

Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.”

**e) “Relationship with struck off companies:**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.”

**f) “Compliance with number of layers of companies:**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.”

**g) “Compliance with approved scheme(s) of arrangements:**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.”

**h) “Utilisation of borrowed funds and share premium:**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i). 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

(ii). provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i). 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

(ii). provide any guarantee, security or the like on behalf of the ultimate beneficiaries.”

**i) “Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.”

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

- j) “Details of crypto currency or virtual currency:  
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.”
- k) “Valuation of PPE, intangible asset and investment property:  
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.”
- l) “Registration of charges or satisfaction with Registrar of Companies:  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.”
- m) “Utilisation of borrowings availed from banks and financial institutions:  
The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.”
- n) “Title deeds of immovable properties not held in name of the Company:  
The title deeds of all the immovable properties (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 except given below -”

Property Description	Gross Carrying Value	Held in the name of *	Whether Promoter, Director or their relative or employee	Period held	Reason for not being in the Company's name
Building (pertaining to Nyloc House)	2,395.05	Multiplex Collapsible Tubes Limited (as lessee)	None	Since March 2018	Acquired pursuant to scheme of amalgamation. Management has initiated the process of getting the name transferred in Company's name
Leasehold land (pertaining to Nyloc House)	736.89		None	Since March 2018	
Leasehold land (pertaining to factory at Umbergaon)	1.69	Merino Knitting Industries	None	Since August 2003	

- o) The Company's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2022. Management believes that the Group's international transactions and domestic transactions with related parties for the year ended 31 March 2023 and post 31 March 2023 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.
- p) Previous year figures have been regrouped /reclassified to confirm presentation as per Ind As and as required by schedule III of the Act.

50 These standalone financial statements were authorised for issue by the directors on May 30, 2023.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**For and on behalf of Board of Directors**

Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**S. Y. NOORANI**

Vice Chairman and Managing Director

DIN: 00068423

**Ankush Agrawal**

Partner

Membership No. 159694

**B. MAHABALA**

Chief Financial Officer

**KUMAR IYER**

Company Secretary

Mumbai

May 30, 2023

Mumbai

May 30, 2023



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S  
Garment Dyed

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# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Zodiac Clothing Company Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group its associates and jointly controlled

entities as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions 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 and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
1.	<p><b>Recoverability of Deferred Tax Assets</b> (Refer Note 36 to the Consolidated Financial Statements)</p> <p>At March 31, 2023, net deferred tax assets recognised were ₹1,564.88 lakhs. The deferred tax assets recognized includes carry forward losses and unabsorbed depreciation of ₹1,721.59 lakhs. The recognition of deferred tax assets involves judgement regarding the likelihood of the realization of these assets, in particular whether there will be sufficient taxable profits in future periods that support the recognition of these assets. We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of projected future taxable income considering the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer. The Management has also engaged tax expert to assess utilization of available tax benefits in accordance with prevailing taxation laws.</p>	<p>We have performed audit procedures including the following:</p> <ul style="list-style-type: none"><li>• We have obtained understanding and evaluated the design and implementation of the control relating to recognition, measurement and assessment of recoverability of deferred tax assets.</li><li>• Reviewed the Company's accounting policy in respect of recognizing deferred tax asset on temporary differences.</li><li>• Evaluated the judgements and assumptions made by the Management in determining the projected future financial projections for sufficiency of taxable income.</li><li>• Checked the mathematical accuracy of the underlying calculations of the tax projections.</li><li>• Verified the source data in the valuation report of immovable properties (such as description, area) with agreements and assessed the appropriateness of tax rate applied to the projected future taxable income.</li><li>• Engaged with internal specialist to assess utilization of available tax benefits against the projected future taxable income in accordance with prevailing taxation laws and consequential recognition of deferred tax assets.</li><li>• Performed sensitivity analyses on the projected taxable income by varying key assumptions, within reasonably foreseeable range.</li><li>• Evaluated disclosures of the tax positions, tax loss carry forward losses and tax litigations in the standalone financial statements in accordance with relevant Ind AS.</li></ul>

Sr. No.	Key audit matter	How the key audit matter was addressed in our audit
2.	<p><b>Assessment of carrying value of property, plant and equipment (including capital work-in-progress), right of use assets and other intangible assets (together referred as the “Assets”)</b></p> <p>(Refer to Notes 4(a), 4(b), 4(c) and 6 in the Consolidated Financial Statements)</p> <p>The carrying value of Assets is ₹11,276.62 lakhs as at March 31, 2023 which is significant to the balance sheet. Management has performed an impairment indicator assessment taking into account both internal and external factors, as per Ind AS 36 – Impairment of Assets. Where an indication of impairment exists, the carrying value of the cash generating unit (CGU) was compared to the recoverable amount of CGU. The Company has applied fair value less costs of disposal method in determining the recoverable value of CGU. In this connection, the Management has engaged an external registered valuer to determine the fair value of immovable properties and, The fair value of other assets was determined on the basis of management’s judgement and estimates. Based on the assessment, the Management has concluded that no impairment was required as of March 31, 2023. Recoverability of carrying value of Property, plant and equipment, CWIP and intangible assets have been identified as a key audit matter due to the significance of the carrying value of assets being assessed, the assessment of the recoverable amount of the CGU involves significant judgements and estimates and, the key judgements and estimates centered on identification of indicators of impairment and future projections relating to the aforesaid business.</p>	<p>We have performed audit procedures including the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the Management with respect to process followed to perform impairment test related to Assets and assessing recoverable value for impairment computation.</li> <li>• Evaluation of design and implementation of the control relating to management’s assessment of impairment of Assets.</li> <li>• Engaged internal valuation experts to assess appropriateness of valuation methodology and key assumptions such as discount rate and growth rate used in the valuation model for immovable properties.</li> <li>• Verified the Source data in the valuation report of immovable properties (such as description, area etc.) with the agreements.</li> <li>• Evaluated the reasonableness of other assumptions applied by management, in determining the fair value of other assets such as future cash flows relating to the period covered by the Company’s strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.</li> <li>• Verified the arithmetical accuracy of underlying calculations of recoverable amount and compared with the carrying value of Assets.</li> <li>• Performed sensitivity analysis over the key assumptions, to assess the potential impact on impairment results and the range of possible outcomes for recoverable value of Assets.</li> <li>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements as per the applicable accounting standards.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report etc but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated 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 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 financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible

for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of

the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group 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 are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### **Other Matters**

a. We did not audit the financial statements of three subsidiaries, located outside India, whose financial statements reflect, total assets of ₹3,662.32 lakhs as at March 31, 2023, total revenue of ₹1,796.62 lakhs and net cash flows amounting to ₹105.57 lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. All these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries

located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b. We did not audit the financial statement of one subsidiary, located outside India, whose financial information reflect total assets of ₹527.25 lakhs as at March 31, 2023, total revenue of ₹Nil lakhs, and net cash flow of ₹37.52 lakhs for the year ended as on date, as considered in the consolidated financial statements. This financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.
- c. The consolidated financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 30, 2022 expressed an unmodified opinion on those statements.

Our opinion on the consolidated 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 and the financial information certified by the Management.

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

1. As required by Section 143(3) of 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 financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the 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 the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38(i) to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses 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.
  - iv.
    - (1) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise as on the date of this audit report, that the Intermediary shall, directly or indirectly, lend or invest in other person(s) or entity(ies), identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person(s)

or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise as on the date of this audit report, that the Holding Company shall, 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.

- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors’ notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - v. The Holding Company has neither declared nor paid any dividend during the year.
  - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of four subsidiaries, as the provisions of the aforesaid section is not applicable to subsidiary companies incorporated outside India.
  3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks. Reporting under CARO is not applicable to subsidiaries in consideration which is incorporated outside India.

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Ankush Agrawal**  
Partner  
Membership No.159694  
UDIN: 23159694BGXIRB3143

Place: Mumbai  
Date: May 30, 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED

### Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 financial statements of which we are the independent auditors.

For the other entities included in the consolidated 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated 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 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 financial statements for the year ended March 31, 2023, 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Ankush Agrawal**  
Partner  
Membership No.159694  
UDIN: 23159694BGXIRB3143

Place: Mumbai  
Date: May 30, 2023



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZODIAC CLOTHING COMPANY LIMITED**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Zodiac Clothing Company Limited on the Consolidated Financial Statements for the year ended March 31, 2023]

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Zodiac Clothing Company Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Zodiac Clothing Company Limited (hereinafter referred to as "the Holding Company") as of that date. Since all the subsidiaries are incorporated outside India, the reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to them.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

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

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding 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 Act, 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company.

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

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Ankush Agrawal**

Partner

Membership No.159694

UDIN: 23159694BGXIRB3143

Place: Mumbai

Date: May 30, 2023

**ZODIAC CLOTHING COMPANY LIMITED**  
**Consolidated Balance Sheet as at March 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	4(a)	8,566.69	9,274.81
	Right-of-use assets	4(c)	2,147.91	1,898.70
	Capital work - in - progress	4(b)	425.00	261.86
	Investment properties	5	726.84	1,129.15
	Intangible assets	6	137.19	152.25
	Financial assets			
	- Investments	7	5,231.09	4,914.84
	- Loans	8	977.89	1,173.60
	- Others financial assets	9	1,038.96	1,128.42
	Deferred tax assets (net)	36	1,564.88	1,564.88
	Non - Current tax assets (net)	36	1,158.93	1,079.44
	Other non - current assets	10	391.76	541.73
	<b>Total non-current assets</b>		<b>22,367.14</b>	<b>23,119.68</b>
2	<b>Current assets</b>			
	Inventories	11	5,943.68	6,927.95
	Financial assets			
	- Investments	12	3,164.08	165.66
	- Trade receivables	13	2,491.99	2,161.49
	- Cash and cash equivalents	14	1,057.81	892.97
	- Bank Balances other than cash and cash equivalents	15	37.74	40.01
	- Loans	16	3.96	4.55
	- Others financial assets	17	82.79	128.20
	Other current assets	18	2,939.79	2,844.49
	<b>Total current assets</b>		<b>15,721.84</b>	<b>13,165.32</b>
	<b>TOTAL ASSETS</b>		<b>38,088.98</b>	<b>36,285.00</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	Equity share capital	19	2,599.37	2,475.95
	Other equity	20	25,318.69	22,158.14
	<b>Total Equity</b>		<b>27,918.06</b>	<b>24,634.09</b>
2	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	- Borrowings	21	258.78	536.11
	- Lease Liabilities	4(c)	1,757.56	1,782.25
	- Other financial liabilities	24	58.48	28.64
	Provisions	25	11.25	9.15
	Deferred tax liabilities	36	451.97	429.01
	Other non-current liabilities	26	19.03	22.24
	<b>Total non-current liabilities</b>		<b>2,557.07</b>	<b>2,807.40</b>
	<b>Current liabilities</b>			
	Financial liabilities			
	- Borrowings	22	3,441.43	4,210.00
	- Lease Liabilities	4(c)	960.82	786.51
	- Trade payables	23		
	- total outstanding dues of micro and small enterprises		12.40	34.62
	- total outstanding dues of creditors other than micro and small enterprises		2,327.47	2,805.49
	- Other financial liabilities	24	127.35	100.47
	Provisions	25	55.50	96.60
	Other current liabilities	26	688.88	809.82
	<b>Total current liabilities</b>		<b>7,613.85</b>	<b>8,843.51</b>
	<b>Total liabilities</b>		<b>10,170.92</b>	<b>11,650.91</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,088.98</b>	<b>36,285.00</b>
	<b>Significant Accounting Policies</b>	2		

The accompanying notes (1 - 50) are an integral part of these consolidated financial statements

As per our attached report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**For and on behalf of Board of Directors**

**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**S. Y. NOORANI**

Vice Chairman & Managing Director

DIN: 00068423

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**KUMAR IYER**

Company Secretary

**ZODIAC CLOTHING COMPANY LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b>	<b>INCOME</b>			
	Revenue from operations	27	17,480.87	12,665.20
	Other income	28	860.01	2,671.22
	<b>Total Income</b>		<b>18,340.88</b>	<b>15,336.42</b>
<b>II</b>	<b>EXPENSES</b>			
	Cost of materials consumed	29	6,398.03	4,948.04
	Purchases of stock-in-trade		509.56	101.09
	Changes in inventories of finished goods, stock-in-trade and work-in progress	30	1,049.28	499.13
	Employee benefits expense	31	4,011.29	3,766.87
	Finance costs	32	682.67	616.85
	Depreciation and amortization expense	33	1,770.27	1,857.41
	Other expenses	34	6,263.27	5,193.44
	<b>Total expenses</b>		<b>20,684.37</b>	<b>16,982.83</b>
<b>III</b>	<b>Loss before exceptional Item and tax</b>		<b>(2,343.49)</b>	<b>(1,646.41)</b>
<b>IV</b>	<b>Exceptional Item</b>	35	3,901.09	-
<b>V</b>	<b>Profit / (Loss) before tax</b>		<b>1,557.60</b>	<b>(1,646.41)</b>
<b>VI</b>	<b>Tax expense</b>	36		
	Current tax		-	113.00
	Deferred tax		(41.51)	(134.97)
	Tax in respect of earlier years		1.02	12.42
	<b>Total Tax expense</b>		<b>(40.49)</b>	<b>(9.55)</b>
<b>VII</b>	<b>Profit/(Loss) for the year</b>		<b>1,598.09</b>	<b>(1,636.86)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
	- Remeasurements of gain on net defined benefit plans	40	91.16	38.19
	- Net gain on Equity Instruments through Other Comprehensive Income		419.58	555.75
	- Income tax relating to above items		(71.55)	(20.46)
	<b>(ii) Items that will be reclassified subsequently to profit or loss</b>			
	- Debt Instruments through Other Comprehensive Income		(20.27)	(32.04)
	- Net gains/(losses) on cash flow hedges		(27.26)	9.12
	- Exchange differences on translation of foreign operations		87.60	110.41
	- Income tax relating to above items		7.58	(2.61)
	<b>Other Comprehensive Income for the year, net of tax</b>		<b>486.84</b>	<b>658.36</b>
<b>IX</b>	<b>Total Comprehensive Income/(Loss) for the year, net of tax</b>		<b>2,084.93</b>	<b>(978.50)</b>
<b>X</b>	<b>Income / (Loss) attributable to:</b>			
	Owners of the Company		1,598.09	(1,636.86)
	Non Controlling Interest		-	-
<b>XI</b>	<b>Other comprehensive income attributable to:</b>			
	Owners of the Company		486.84	658.36
	Non Controlling Interest		-	-
<b>XII</b>	<b>Total comprehensive loss attributable to:</b>			
	Owners of the Company		2,084.93	(978.50)
	Non Controlling Interest		-	-
<b>XI</b>	<b>Earnings / (Loss) per equity share of ₹ 10 each (INR)</b>	39		
	Basic (₹)		6.42	(6.61)
	Diluted (₹)		6.42	(6.61)
	<b>Significant Accounting Policies</b>	2		

The accompanying notes (1 - 50) are an integral part of these consolidated financial statements

As per our attached report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**For and on behalf of Board of Directors**

**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**S. Y. NOORANI**

Vice Chairman & Managing Director

DIN: 00068423

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**KUMAR IYER**

Company Secretary

**ZODIAC CLOTHING COMPANY LIMITED**

**Statement of Consolidated Cash Flows for the year ended March 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Loss before exceptional item and tax</b>	<b>(2,343.49)</b>	<b>(1,646.41)</b>
Adjustments for:		
Depreciation and amortisation expenses	1,770.27	1,857.41
Finance costs	682.67	616.85
Net unrealised exchange gain on foreign currency translation / transaction	(64.09)	(33.08)
Dividend Income	(12.61)	(7.75)
Rent income	(308.96)	(202.99)
Unwinding of discount on security deposits	(46.05)	(58.73)
Interest income	(4.35)	(101.52)
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	(272.48)	(1,638.48)
Allowance for doubtful debts, loans and deposits	(15.00)	15.00
Bad debts, loans, advances, deposits etc. written off	4.55	31.61
Covid-19 related Rent Concessions	-	(352.64)
Gain on termination / remeasurement / modification of lease contracts	(95.21)	(170.23)
Net Loss on sale/discard of property, plant and equipment	111.40	72.91
<b>Cash used in operations before working capital changes</b>	<b>(593.35)</b>	<b>(1,618.05)</b>
Adjustments for:		
(Increase) / Decrease in trade and other receivables	346.27	(469.40)
Decrease in inventories	984.27	765.34
Increase / (Decrease) in trade and other payables	(588.07)	653.48
Increase in provisions	52.16	49.54
Cash flow generated from operations	201.29	(619.09)
Less: Direct taxes (paid) / refunds received (net)	(79.80)	80.17
Cash flow before exceptional items	<b>121.49</b>	<b>(538.92)</b>
Exceptional items		
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>121.49</b>	<b>(538.92)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflows</b>		
Sale proceeds of property, plant and equipment	15.08	7.90
Sale proceeds of investment property (net of incidental expenses)	4,272.17	-
Interest received	1.61	101.29
Rent Received	300.35	108.24
Sale proceeds of non-current investments	327.05	333.10
Sale proceeds of current investments (Net)	145.00	474.32
Dividend received	12.61	7.75
Proceeds of Sale of Investments in Subsidiary (sold in earlier year)	-	39.87
Loan received back	194.31	61.25
Proceeds from Term Deposits (Net)	-	0.77
	<b>5,268.18</b>	<b>1,134.49</b>
<b>Outflows</b>		
Purchase of property, plant and equipment/ intangible assets	(511.38)	(363.63)
Purchase of current investments (Net)	(3,111.07)	-
Purchase of non-current investments	-	(104.38)
Investment in Term Deposits (Net)	-	-
Investment in Term Deposits (Net)	(80.23)	-
	<b>(3,702.68)</b>	<b>(468.01)</b>
<b>Net cash flows generated from investing activities (B)</b>	<b>1,565.50</b>	<b>666.48</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflows</b>		
Proceeds from issue of equity shares (including securities premium)	1,200.00	-
Proceeds towards loan from directors	911.75	377.99
	<b>2,111.75</b>	<b>377.99</b>

<b>Outflows</b>		
Repayment of non-current borrowings	(277.33)	(18.82)
Repayment of current borrowings (net)	(390.21)	(6.16)
Repayment of loan from directors	(1,290.00)	
Payment of Principal portion of lease liabilities	(1,009.58)	(675.98)
Interest paid on lease liabilities	(290.64)	(270.51)
Interest paid on others	(376.14)	(364.27)
	(3,633.90)	(1,335.74)
<b>Net cash flows used in financing activities (C)</b>	<b>(1,522.15)</b>	<b>(957.75)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>164.84</b>	<b>(830.19)</b>
Add : Cash and cash equivalents at beginning of the year	892.97	1,723.16
<b>Cash and cash equivalents at end of the year (refer note 15)</b>	<b>1,057.81</b>	<b>892.97</b>
<b>Non-cash financing and investing activities</b>		
	<b>“Year Ended 31<sup>st</sup> March, 2023”</b>	<b>“Year Ended 31<sup>st</sup> March, 2022”</b>
<b>Acquisition of right-of-use assets</b>	<b>1,528.92</b>	<b>53.01</b>
<b>Cash and cash equivalents as per above comprises of the following</b>		
	<b>“As at March 31, 2023”</b>	<b>“As at March 31, 2022”</b>
Cash on hand	0.05	4.73
Balances with Banks	1,057.76	888.24
<b>Total</b>	<b>1,057.81</b>	<b>892.97</b>

Notes: “The above Statement of Consolidated Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.”

**The accompanying notes (1 - 50) are an integral part of these consolidated financial statements**

As per our attached report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**For and on behalf of Board of Directors**

**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**B. MAHABALA**

Chief Financial Officer

Mumbai

May 30, 2023

**S. Y. NOORANI**

Vice Chairman & Managing Director

DIN: 00068423

**KUMAR IYER**

Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(ALL AMOUNTS ARE IN ₹ LAKHS, UNLESS OTHERWISE STATED)

**A. Equity Share Capital**

	Notes	Amount
As at April 01, 2021		2,475.95
Changes in equity share capital	19	-
As at March 31, 2022		2,475.95
Changes in equity share capital	19	123.42
As at March 31, 2023		2,599.37

**B. Other Equity**

Particulars	Securities Premium	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	Other Comprehensive Income (OCI)				Total
								FVOCI - Equity Instruments	FVOCI - Debt Instruments	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	
Balance as at March 31, 2021	9,672.52	8.16	15.84	200.00	17.98	2,693.15	9,617.13	316.36	-	12.14	583.36	23,136.64
Loss for the year	-	-	-	-	-	-	(1,636.86)	-	-	-	-	(1,636.86)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment gain on net defined benefit plan	-	-	-	-	-	-	38.19	-	-	-	110.41	110.41
Changes in fair value of equity instruments through other Comprehensive income (net of tax)	-	-	-	-	-	-	-	535.29	-	-	-	535.29
Changes in fair value of Debt instruments through other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(32.04)	-	-	(32.04)
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	18.65	-	18.65
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	(12.14)	-	(12.14)
<b>Total Comprehensive Income for the year</b>	<b>9,672.52</b>	<b>8.16</b>	<b>15.84</b>	<b>200.00</b>	<b>17.98</b>	<b>2,693.15</b>	<b>8,018.46</b>	<b>851.65</b>	<b>(32.04)</b>	<b>6.51</b>	<b>110.41</b>	<b>(978.50)</b>
Balance as at March 31, 2022	9,672.52	8.16	15.84	200.00	17.98	2,693.15	8,018.46	851.65	(32.04)	18.65	804.18	22,158.14
Profit for the year	-	-	-	-	-	-	1,598.09	-	-	-	-	1,598.09
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	86.75	86.75
Reassessments of defined benefit obligation	-	-	-	-	-	-	91.16	-	-	-	-	91.16
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	348.03	-	-	-	348.03
Changes in fair value of Debt instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(20.27)	-	-	(20.27)
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	34.94	-	34.94
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	(54.62)	-	(54.62)
<b>Total Comprehensive Income for the year</b>	<b>1,076.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,689.25</b>	<b>348.03</b>	<b>(20.27)</b>	<b>(19.68)</b>	<b>86.75</b>	<b>2,083.97</b>
<b>Transactions with owners in their capacity as owners:</b>												
Premium Received on Issue of Equity Shares	1,076.58	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	10,749.10	8.16	15.84	200.00	17.98	2,693.15	9,707.71	1,199.68	(52.31)	(1.03)	890.93	25,318.69

**The accompanying notes (1 - 50) are an integral part of these consolidated financial statements**

As per our attached report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration Number: 105047W

**For and on behalf of Board of Directors**  
**Zodiac Clothing Company Limited**

CIN: L17100MH1984PLC033143

**A. Y. NOORANI**

Chairman

DIN: 00041686

**B. MAHABAL/A**

Chief Financial Officer

Mumbai

May 30, 2023

**S. Y. NOORANI**

Vice Chairman &

Managing Director

DIN: 00068423

**KUMAR IYER**

Company Secretary

**Ankush Agrawal**

Partner

Membership No. 159694

Mumbai

May 30, 2023

**1 Background and Operations**

Zodiac Clothing Company Limited (‘the Parent Company’ or ‘the Holding Company’) incorporated in India and its subsidiary and step down subsidiaries together constitutes the Zodiac Group (‘the Group’), which mainly deals in clothing and clothing accessories.

**2 Significant accounting policies**

**(a) Basis of preparation of consolidated Financial Statements**

**(i) Compliance with Ind AS**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) notified under section 133 of the Companies Act, 2013 (the ‘Act’) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)], and other relevant provisions of the Act.

**(ii) Going Concern Assessment**

The Directors of the Company have assessed its liquidity position of the Group. The Board of Directors are confident of the Group’s ability to meet its obligation atleast for the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on going concern basis.

**(iii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

**(iv) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act. All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

**(v) Rounding off amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

**(b) Principles of consolidation  
Subsidiaries**

“Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.”

**(c) Use of estimates and judgments**

The estimates and judgments used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**(d) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

The Group depreciates its property, plant and equipment in respect of Zodiac Clothing Company Limited, India on a straight line method net of residual values over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act, except for the following class of assets, useful life for which is based on a technical evaluation, taking into consideration nature of Group’s business and past experience of usage of such assets :

Description of asset	Useful life followed by the Group	Useful life as prescribed under Schedule II
Plant and equipment	21 Years*	15 Years*
Furniture and fixtures	16 Years	10 Years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Office equipments	21 Years	5 Years
Computer (including servers)	6 Years	3-6 Years
Electrical Installation	21 Years	10 years

\* Based on single shift

In respect of **Zodiac Clothing Company (U.A.E.) LLC., UAE**, the useful life are as follows:

<b>Description of asset</b>	<b>Useful life</b>
Factory Building	- 10 Years
Plant and equipment	- 8 Years
Furniture and fixtures	- 10 Years
Vehicles	- 5 Years

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

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term. Period of lease is either the primary lease period or where the Group as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended 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. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.”

**(e) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is initially recognized at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties, net of residual value are depreciated using the straight-line method over their useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act.

**(f) Intangible assets**

**Computer software**

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

**Amortisation method**

The Group amortizes intangible assets using the

straight-line method over following period:

<b>Nature of intangible asset</b>	<b>Useful life</b>
- Computer Software	6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(g) Lease**

**As lessee**

The Group’s lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or 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.

At the date of commencement of the lease, the Group 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 leases of low value assets. For these short term and leases of low value assets, the Group recognizes the lease payments as an operating expense on a straight line basis over the term of the lease. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

The lease liability is initially measured at the present value of the future lease payments and payments to be made under reasonably certain extension option are also included in measurement of liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The amount on remeasurement of lease liability is adjusted to the right of use asset and any remaining amount is recognized in statement of profit and loss.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each



period.

Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

**“Covid-19-Related Rent Concessions:**

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116- Leases, by inserting a practical expedient on “Covid19-Related Rent Concessions” and vide notification dated June 18, 2021, extended such practical expedient up to June 30, 2022. Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions in the Statement of Profit and Loss, in respect of leases, which has satisfied following conditions:

- i) the change in lease payments results in revised consideration for the lease that is less than, the consideration for the lease immediately preceding the change,
- ii) any reduction in lease payments affects only payments originally due on or before the June 30, 2022,
- iii) there is no substantive change to other terms and conditions of the lease.”

The Group has recognised such Covid-19 related rent concessions as other income in the period in which such concessions are agreed with lessor, with corresponding impact to lease liabilities.

**As lessor**

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**(h) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, Bank overdrafts, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(i) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated ‘at cost or net realisable value, whichever is lower’. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is ‘First-in-First-Out’, ‘Weighted Average cost’ or ‘Specific Identification’, as applicable.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or

above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Slow-moving, non-moving & defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc.

The inventories resulting from intra-group transactions have been stated at cost after deducting unrealised profit on such transactions.

**(j) Investments and other financial assets**

**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- \* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- \* those measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Recognition**

Purchases and sales of financial assets are recognised on trade - date, being the date on which the Group commits to purchase or sale the financial asset.

**(iii) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt instruments:**

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three

measurement categories into which the Group classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as other income in the Statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iv) Impairment of financial assets**

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk

exposure:

- (a) Financial assets are measured at amortised cost e.g., loans, deposits and bank balance.
- (b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

**(v) Derecognition**

A financial asset is derecognised only when - the Group has transferred the rights to receive the cash flows from the financial asset or - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

**(vi) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.

**Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

**Rental Income**

Rentals basically consistant of rental revenue earned from letting of spaces at the entity own premises. Revenue is organised in the period in which services are being rendered.

**(k) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**(l) Borrowing costs**

General and specific borrowing costs that are 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.

Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance cost.

Other interest and borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

**(m) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

Contingent assets disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

**(n) Revenue recognition**

**Sale of goods - Wholesale**

“Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transferred to customer and the Group has objective evidence that all criteria for the acceptance have been satisfied. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.”

**Sale of goods - Retail**

The Group operates a chain of retail stores. Revenue from the sale of goods is recognised when the Group entity

sells a product to the customer. Payment of transaction price is generally due immediately when the customer purchases the goods and takes delivery in store.

**Variable Lease Payments**

Certain property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, re-evaluation done post Covid-19 etc.. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

**Sales return**

Accumulated experience is used to estimate and provide for the sales return, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected sales return in relation to sales made until the end of the reporting period.

**Service income**

Sale of services - Revenue is recognised based on actual service provided at the end of the reporting period as proportion of total service to be provided.

**Other operating revenue - Export incentives -**

Export incentives under various schemes of Government of India are accounted on accrual basis on the basis of exports made and when there is reasonable assurance that the Group entity will comply with the conditions and incentive will be received.

**(o) 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.

**(ii) Post-employment obligations**

**Defined Benefits Plan**

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined 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 at year end by actuary using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement 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 as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

#### **Defined Contribution Plans**

The Group pays Provident Fund (PF) contributions, Employees State Insurance Scheme (ESIC) etc., to publicly administered funds as per local regulations. The Group 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 benefits expense when they are due.

#### **(iii) Other long-term employee benefit obligations**

The liabilities for earned 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. An actuarial valuation is obtained at the end of reporting period. 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 obligations are presented as current liabilities in the balance sheet if the Group 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.

#### **(iv) Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for restructuring that is within the scope of Ind AS-37 and involves the payment of terminations benefits. In the case of an offer

made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### **(p) Foreign currency transactions**

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

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

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

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

##### **(iii) Group Companies**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as a part of gain or loss on sale.

#### **(q) Derivative and hedging activities**

Derivatives are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitment transactions (sales orders/purchase orders) (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objectives and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

**Cash flow hedges that qualify for hedge accounting –**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

When forward contracts are used to hedge forecast transactions, the Group designates them in entirety as the hedging instrument. Gains or losses relating to effective portion of fair value of forward contracts are recognised in the other comprehensive income in the cash flow hedging reserve within other equity.

When the option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument.

“Amounts accumulated in equity are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss i.e when the underlying sales or purchase transaction occurs. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.”

**Derivative Contracts other than cash flow hedges:**

Derivative contracts which are not designated as cash flow hedges, are accounted for at fair value through profit or loss and are included in Statement of Profit and Loss.

**(r) Income tax**

The income tax expense 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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management

periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income 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 liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group 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.

**(s) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**Diluted earnings per share**

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
  - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
- The calculation of diluted earnings per share does

not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.”

**(t) Segment Reporting:**

“Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker(CODM). The CODM, being the Managing Director of the Company, assesses the financial performance and position of the Group and makes strategic decisions.”

**(u) Impairment of non-financial assets:**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(v) Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

**(w) Dividend**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(x) Recent Accounting Pronouncements:**

**Standards issued but not yet effective:**

“Ministry of Corporate Affairs (“MCA”) and

notifies new standard or amendments to the existing standards. MCA vide notification dated 31st March, 2023 has made the following amendments to the Ind AS which are effective 1st April 2023:

a) Amendments to the Ind AS 1, Presentation of Financial Statements where the company are now required to disclose material accounting policies rather than their significant accounting policy.

b) Amendments to the Ind As 8, Accounting policies changes in Accounting Estimates and Errors where the definition of ‘Change in account estimate’ has been replaced by revised definition of ‘accounting estimate’.

c) Amendments to Ind AS 12, Income taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down. Based on the Preliminary assessment, the company does not expect these amendments to have any significant impact on its standalone financial statements.”

**3 Critical estimates and judgements**

The preparation of consolidated financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 40)
- Recoverability of deferred tax assets (Refer Note 36)
- Allowance for doubtful debts (Refer Note 13 and 45)
- Fair value of Investment properties (Refer Note 5)
- Direct tax litigations (Refer Note 38)
- Determination of lease term (Refer Note 4(c))
- Impairment of non-financial assets (Refer Note 2(u))
- Provision for Inventory Obsolescence (Refer Note 2 (i) and 11)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

**4(a) Property, Plant and Equipment**

	Freehold Land	Buildings	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computer	Electrical Installation	Total
<b>Gross Carrying Amount</b>										
Balance as at April 01, 2021	362.47	3,049.27	2,358.00	3,706.97	2,869.22	57.98	669.91	233.37	883.33	14,190.52
Additions	-	-	75.99	2.48	12.76	-	1.08	0.66	43.97	136.94
Disposals	-	-	239.72	48.10	69.19	-	11.10	30.87	38.88	437.86
" Reclassified to Investment Property (Refer Note (v) below) "	-	43.40	-	-	-	-	-	-	-	43.40
Currency Alignment	-	9.40	-	0.56	0.89	0.34	-	-	-	11.19
<b>Balance as at March 31, 2022</b>	<b>362.47</b>	<b>3,015.27</b>	<b>2,194.27</b>	<b>3,661.91</b>	<b>2,813.68</b>	<b>58.32</b>	<b>659.89</b>	<b>203.16</b>	<b>888.42</b>	<b>13,857.39</b>
Additions	-	5.60	98.22	12.84	38.11	-	0.27	0.26	67.04	222.34
Disposals	-	-	269.15	187.29	352.30	-	10.34	59.04	108.12	986.24
Reclassified to CWIP	-	-	-	288.16	-	-	-	-	-	288.16
Currency Alignment	-	63.69	-	1.88	3.89	2.34	-	-	-	71.81
<b>Balance as at March 31, 2023</b>	<b>362.47</b>	<b>3,084.56</b>	<b>2,023.34</b>	<b>3,201.18</b>	<b>2,503.38</b>	<b>60.66</b>	<b>649.82</b>	<b>144.38</b>	<b>847.34</b>	<b>12,877.14</b>
<b>Accumulated depreciation</b>										
Balance as at April 01, 2021	-	327.26	1,230.00	1,001.98	1,043.93	48.27	174.17	180.21	229.35	4,235.17
Additions	-	89.13	115.60	199.89	217.99	-	35.24	12.11	45.62	715.58
Disposals	-	-	208.36	35.27	62.32	-	2.77	29.39	23.31	361.42
" Reclassified to Investment Property (Refer Note (v) below) "	-	13.04	-	-	-	-	-	-	-	13.04
Currency Alignment	-	4.90	-	0.39	0.76	0.24	-	-	-	6.29
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>408.25</b>	<b>1,137.24</b>	<b>1,166.99</b>	<b>1,200.36</b>	<b>48.51</b>	<b>206.64</b>	<b>162.93</b>	<b>251.66</b>	<b>4,582.58</b>
Additions	-	90.05	108.55	191.78	219.89	-	35.57	9.49	46.97	702.30
Disposals	-	-	251.40	116.34	312.34	-	4.41	56.68	62.40	803.57
Reclassified to CWIP	-	-	-	232.11	-	-	-	-	-	232.11
Currency Alignment	-	53.79	-	1.88	3.23	2.34	-	-	-	61.24
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>552.09</b>	<b>994.39</b>	<b>1,012.20</b>	<b>1,111.14</b>	<b>50.85</b>	<b>237.80</b>	<b>115.74</b>	<b>236.23</b>	<b>4,310.45</b>
<b>Carrying Amount</b>										
Balance as at March 31, 2022	362.47	2,607.02	1,057.03	2,494.92	1,613.32	9.81	453.25	40.23	636.76	9,274.81
<b>Balance as at March 31, 2023</b>	<b>362.47</b>	<b>2,532.47</b>	<b>1,028.95</b>	<b>2,188.98</b>	<b>1,392.24</b>	<b>9.81</b>	<b>412.02</b>	<b>28.64</b>	<b>611.11</b>	<b>8,566.69</b>

**4(b) Capital Work in Progress**

Capital Work in Progress (Refer Note iv)	Opening carrying amount	Additions	Disposals	Transfer	Closing carrying amount
Balance as at March 31, 2022	128.34	135.73	-	2.21	261.86
Balance as at March 31, 2023	261.86	182.05	-	-	425.00

**Aging of CWIP**

Project in Progress	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
For the year ended March 31, 2022	135.73	-	-	126.13	261.86
For the year ended March 31, 2023	298.87	-	-	126.13	425.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**4(b) Capital Work in Progress (Contd...)**

**Completion schedule for CWIP whose completion is overdue:**

Projects in progress (Bangladesh Factory)	To be completed in				Total
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	
For the year ended March 31, 2022	-	122.90	-	-	122.90
For the year ended March 31, 2023	122.90	-	-	-	122.90

Notes:

- (i) Refer Note 38(ii)(a) for disclosure of contractual commitments for acquisition of property, plant and equipment.
- (ii) Refer Note 37 for information on property, plant and equipment pledged as security by the Group.
- (iii) In case of Zodiac Clothing Company (U.A.E.) LLC, Factory building (carrying value of ₹135.82 Lakhs (Previous year ₹154.61 Lakhs)) is constructed on leasehold land which is in name of U.A.E. national shareholder.
- (iv) Aging of CWIP and Completion schedule for CWIP - Balance as at March 31, 2023 and March 31, 2022 do not include projects in progress as well as projects temporarily suspended. CWIP as at March 31, 2023 majorly comprises of building. CWIP as at March 31, 2022 majorly comprises of furniture & fixtures and leasehold improvements related to retail shops.
- (v) Pursuant to the adoption of Ind AS 116, leasehold land is presented as Right of use assets (Refer Note 4(c)).

**4(c) Leases**

This note provides information for leases where the Group is a lessee. The Group leases Land and Building (retail stores, warehouse, offices, guest house etc.). Rental contracts are typically made for periods of 1 year to 9 years, but may have extension options as described in (iv) below.

<b>(i) Amounts recognised in balance sheet</b>		
The balance sheet shows the following amounts relating to leases:		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Right of use assets</b>		
- Leasehold Land	1.14	1.34
- Buildings	2,146.77	1,897.36
<b>Total</b>	<b>2,147.91</b>	<b>1,898.70</b>

Set out below are the carrying amounts of right of use assets recognised and movements during the year:			
Particulars	Lease hold Land	Buildings	Total right of use assets
<b>I. Gross carrying amount</b>			
<b>Balance as at April 01, 2021</b>	2.54	9,489.10	9,491.64
Additions	-	53.01	53.01
Deductions on disposals	-	1,769.27	1,769.27
<b>Balance as at March 31, 2022</b>	<b>2.54</b>	<b>7,772.84</b>	<b>7,775.38</b>
Additions	-	1,528.92	1,528.92
Deductions on disposals	-	1,737.03	1,737.03
<b>Balance as at March 31, 2023</b>	<b>2.54</b>	<b>7,564.73</b>	<b>7,567.27</b>
<b>II. Accumulated depreciation</b>			
<b>Balance as at April 01, 2021</b>	1.00	5,632.80	5,633.80
Depreciation expense for the year	0.20	1,042.11	1,042.31
Deductions on disposals	-	799.43	799.43
<b>Balance as at March 31, 2022</b>	<b>1.20</b>	<b>5,875.48</b>	<b>5,876.68</b>
Depreciation expense for the year	0.20	980.61	980.81
Deductions on disposals	-	1,438.13	1,438.13
<b>Balance as at March 31, 2023</b>	<b>1.40</b>	<b>5,417.96</b>	<b>5,419.36</b>
<b>Carrying amount</b>			
<b>Balance as at March 31, 2022</b>	<b>1.34</b>	<b>1,897.36</b>	<b>1,898.70</b>
<b>Balance as at March 31, 2023</b>	<b>1.14</b>	<b>2,146.77</b>	<b>2,147.91</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**4(c) Leases (Contd...)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease Liabilities</b>		
Current	960.82	786.51
Non-Current	1,757.56	1,782.25
<b>Total</b>	<b>2,718.38</b>	<b>2,568.76</b>

**(ii) Amounts recognised in the statement of profit and loss**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Depreciation charge of Right-of-use assets</b>		
- Leasehold Land	0.20	0.20
- Buildings	980.61	1,042.11
	<b>980.81</b>	<b>1,042.31</b>
COVID-19 related Rent Concessions (included in other income)*	-	352.64
Gain on termination / remeasurement of lease contracts (included in other income)	95.21	170.23
Interest expense (included in finance costs)	290.64	270.51
Rent		
- Expense relating to short-term leases (included in other expenses)	463.10	424.94
- Expense relating to variable lease payments not included in lease liabilities	274.23	164.11
	<b>737.33</b>	<b>589.05</b>

The total cash outflow for leases for the year ended March 31, 2023 was ₹ 2,037.55 Lakhs (March 31, 2022 ₹ 1,534.45 Lakhs) (including short term and variable lease payments).

**\*Covid-19-Related Rent Concessions:**

As described in Note No 2(g) Accounting Policy on Leases, the Ministry of Corporate Affairs vide notification dated July 24, 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. Covid-19 Related Rent Concessions and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022.

Certain lessors have provided rent concessions to the Group as a result of the Covid-19 pandemic. Rent concession include rent holidays, rent reduction and/or variable rent as % of sales for a certain period but not beyond June 30, 2022.

Pursuant to the above amendment, the Group has applied the practical expedient in respect of leases which satisfies all the three conditions mentioned therein, and recognized unconditional rent concessions in the Statement of Profit and Loss as Other Income.

**(iii) Variable Lease Payments**

Certain property leases contain variable payment terms that are linked to sales generate from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores, re-evaluation done post Covid-19 etc. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

A 50% increase in sales across all stores in the Group with such variable lease contracts would increase total lease payments by approximately ₹ 137.12 Lakhs (March 31, 2022 ₹ 82.06 Lakhs).

**(iv) Extension and termination options**

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

**(v) Critical judgments in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the Group considers factors such as historical lease durations and the costs and business disruption required to replace the leased asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**5. Investment Properties**

Particulars	Land	Building	Total
<b>Gross carrying amount</b>			
<b>Balance as at April 01, 2021</b>	45.94	1,217.23	1,263.17
Reclassified from Property, plant and equipment (Refer Note 4(a)(v))	-	43.40	43.40
<b>Balance as at March 31, 2022</b>	<b>45.94</b>	<b>1,260.63</b>	<b>1,306.57</b>
Additions	-	-	-
Deductions on disposals	45.94	411.22	457.16
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>849.41</b>	<b>849.41</b>
<b>Accumulated depreciation</b>			
<b>Balance as at April 01, 2021</b>	-	130.99	130.99
Additions	-	33.39	33.39
Reclassified from Property, plant and equipment (Refer Note 4(a)(v))	-	13.04	13.04
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>177.42</b>	<b>177.42</b>
Additions	-	31.22	31.22
Deductions on disposals	-	86.08	86.08
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>122.57</b>	<b>122.57</b>
<b>Net carrying amount</b>			
<b>Balance as at March 31, 2022</b>	<b>45.94</b>	<b>1,083.21</b>	<b>1,129.15</b>
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>726.84</b>	<b>726.84</b>

Notes:

**(i) Amounts recognised in statement of profit or loss for investment properties:**

Particulars	As at March 31, 2023	As at March 31, 2022
Rental income derived from investment properties	302.21	193.99
Direct operating expenses (including repairs and maintenance) of investment properties	4.15	4.78
<b>Income arising from investment properties before depreciation</b>	<b>298.06</b>	<b>189.21</b>
Depreciation	31.22	33.39
<b>Income arising from investment properties (Net)</b>	<b>266.84</b>	<b>155.82</b>

**(ii) Premises given on operating lease:**

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between 1 years to 9 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable in respect of non-cancellable leases at the Balance Sheet date is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
For a period not later than one year	256.69	206.73
For a period later than one year and not later than five years	34.15	193.81
For a period later than five years	-	-

**(iii) Fair value**

Particulars	Investment Properties		
	Land	Building	Total
“As at March 31, 2022”	4,097.33	6,058.07	10,155.40
“As at March 31, 2023”	-	5,394.32	5,394.32

**Significant Estimates:**

**Estimation of fair value**

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.

The fair valuation of investment properties has been determined by registered independent valuers as defined under Companies Act, 2013. The main inputs used are the prevailing market rates and recent sale of similar properties, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**6 Intangible assets**

	<b>Computer Software</b>
<b>Balance as at April 1, 2021</b>	<b>509.70</b>
Additions	59.95
Disposals	3.99
<b>Balance as at March 31, 2022</b>	<b>565.66</b>
Additions	40.53
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>606.19</b>
Accumulated amortisation	
<b>Balance as at April 1, 2021</b>	<b>347.28</b>
Additions	66.13
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>413.41</b>
Additions	55.59
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>469.00</b>
Net carrying amount	
<b>Balance as at March 31, 2022</b>	<b>152.25</b>
<b>Balance as at March 31, 2023</b>	<b>137.19</b>

**7 Non-current Investments**

	<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
	<b>No. of shares / NCD / units</b>	<b>Amount</b>	<b>No. of shares / NCD / units</b>	<b>Amount</b>
<b>A</b>				
<b><u>Investment in Equity Instruments</u></b>				
<b>Quoted</b>				
<b>At Fair value through Other Comprehensive Income</b>				
Shoppers Stop Limited (Equity Shares of ₹5 each)	221,024	1,431.46	221,024	1,030.63
Aditya Birla Capital Limited (Equity Shares of ₹10 each)	138	0.21	138	0.15
Grasim Industries Limited (Equity Shares of ₹10 each)	99	1.62	99	1.65
Aditya Birla Fashion and Retail Limited (Equity Shares of ₹10 each)	343	0.74	343	1.04
Hindalco Industries Limited (Equity Shares of ₹1 each)	830	3.36	830	4.73
Coramandel International Limited (Equity Shares of ₹10 each)	108	0.95	108	0.86
Exide Industries Limited (Equity Shares of ₹10 each)	7	0.01	7	0.01
Indraprastha Medical Limited (Equity Shares of ₹10 each)	5,000	3.89	5,000	2.92
Karur Vysya Bank Limited (Equity Shares of ₹2 each)	32,733	34.11	32,733	15.16
Maan Alluminium Limited (Equity Shares of ₹10 each)	1,000	1.73	1,000	1.35
Spentex Industries Limited (Equity Shares of ₹10 each)	54	*	54	*
<b>Total (A)</b>		<b>1,478.08</b>		<b>1,058.50</b>
<b>B</b>				
<b><u>Investment in Non Convertible Debentures (NCD)</u></b>				
<b>Unquoted</b>				
<b>At amortised cost</b>				
11.80 % I L & F S Transportation Networks Limited (NCDs of ₹100 each)	30	305.62	30	305.62
Less: Impairment Loss		(305.62)		(305.62)
<b>At Fair value through Other Comprehensive Income</b>				
<b>Quoted</b>				
6 3/4 % Bonds Sri Lanka 2018/18-APR-2028 (Bond of USD 200,000)	1	57.06	1	72.34
<b>Total (B)</b>		<b>57.06</b>		<b>72.34</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**7 Non-current Investments**

	As at March 31, 2023		As at March 31, 2022	
	No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
<b>C Investment in Venture capital funds</b>				
<b>Unquoted</b>				
<b>At Fair value through Profit and Loss @</b>				
Faering Capital India Evolving Fund II (Units of ₹1000/- each)	65,252	1,694.30	68,127	1,651.08
Paragon Partners Growth Fund – I (Units of ₹100/- each)	384,750	639.88	435,286	769.54
Tata Capital Healthcare Fund (Units @ ₹1 /- each)	20,000,000	36.00	20,000,000	36.00
Tata Capital Growth Fund (Units @ ₹1 /- each)	20,000,000	166.00	20,000,000	172.00
Faering Capital India Evolving Fund (Units of ₹1000/- each)	32,012	1,159.77	38,886	1,155.38
<b>Total (C)</b>		<b>3,695.95</b>		<b>3,784.00</b>
<b>Total (A+B+C)</b>		<b>5,231.09</b>		<b>4,914.84</b>
Aggregate amount of quoted investments		1,478.08		1,130.84
Aggregate Market Value of the quoted investments		1,478.08		1,130.84
Aggregate amount of unquoted investments		4,001.57		4,089.62
Aggregate amount of impairment in the value of investment		305.62		305.62

**Note:**

\* Amount is below the rounding off norms adopted by the Group.

@ Investment in venture capital funds have been fair valued at closing Net Assets Value (NAV) / Fair Market Value (FMV).

Refer Note 45 for information about fair value measurement of investments and Note 38(ii)(b) for Investment Commitments related to Venture Capital funds.

**8 Non-current loans**

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Loans to related parties (Refer Note 44)	969.46	1,163.77
Loans to employees	8.43	9.83
<b>Total</b>	<b>977.89</b>	<b>1,173.60</b>

**9 Other non-current financial assets**

	As at March 31, 2023	As at March 31, 2022
Security Deposits	1,000.29	1,169.42
Less: Allowance for doubtful deposits	(42.00)	(42.00)
	958.29	1,127.42
Term deposits with banks	80.67	1.00
<b>Total</b>	<b>1,038.96</b>	<b>1,128.42</b>
<b>Note: Break-up of security details</b>		
Loans considered good - unsecured	1,000.29	1,169.42
Loans - credit impaired	42.00	42.00
<b>Total</b>	<b>1,042.29</b>	<b>1,211.42</b>
Less: Allowance for doubtful deposits	(42.00)	(42.00)
<b>Total Non-current loans</b>	<b>1,000.29</b>	<b>1,169.42</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**10 Other non-current assets**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Capital advances	10.79	12.80
Prepaid expenses	3.80	1.48
Balances with government authorities - GST Input credit	-	317.92
Balances with government authorities (including deposits) - Others	46.71	54.85
Advance for factory construction and commercial work	330.46	154.68
<b>Total</b>	<b>391.76</b>	<b>541.73</b>

**11 Inventories**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(The mode of valuation of inventories has been stated in Note 2(i))		
Raw and Packing Materials [Includes Raw Material - In Transit ₹ Nil, (As at March 31, 2022 ₹15.91 Lakhs)]	1,685.70	1,665.04
Work-in-progress	164.69	164.16
Finished goods	3,584.13	4,214.51
Stock-in-trade	405.67	773.71
Stores and Spares	103.49	110.53
<b>Total</b>	<b>5,943.68</b>	<b>6,927.95</b>

Inventory writedowns are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Writedowns of inventories amounted to ₹371.70 Lakhs for the year ended March 31, 2023 (₹130.83 Lakhs for year ended March 31, 2022). These writedowns were recognised as an expense and included in 'Cost of material consumed', 'changes in inventories of finished goods, stock-in-trade and work-in-progress', and 'consumption of stores and spares' in the Statement of Profit and Loss.

The management has carried out an assessment of carrying value of the inventories and basis such assessment which includes nature, condition, margins and liquidation plan, no further provision, over and above those already provided, is considered necessary.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**12 Current investments**

	As at March 31, 2023		As at March 31, 2022	
	No. of Units	Amount	No. of Units	Amount
<b>Investments in Mutual Funds</b>				
<b>Unquoted</b>				
<b>At Fair value through Profit and Loss</b>				
HDFC Ultra Short Term Fund- Regular Growth (Units of ₹ 10/- each)	1,274,919	165.64	2,774,980	165.24
HDFC Ultra Short Term Fund- Dir-IDCW (Units of ₹ 10/- each)	4,314	0.44	4,009	0.42
HDFC Ultra Short Term Fund Direct Growth (Units of ₹ 10/- each)	14,622,640	1,916.43		
HDFC Liquid-DP-Growth Option (Units of ₹ 10/- each)	24,452	1,081.57		
<b>Total</b>		<b>3,164.08</b>		<b>165.66</b>
Aggregate amount of unquoted investments		3,164.08		165.66

Refer Note 45 for information about fair value measurement of investments.

**13 Trade receivables**

	As at March 31, 2023	As at March 31, 2022
Receivables from related parties (Refer Note 44)	387.91	493.80
Others	2,502.68	2,081.29
Less: Loss allowances	(398.60)	(413.60)
<b>Total</b>	<b>2,491.99</b>	<b>2,161.49</b>
<b>Note: Break-up of security details</b>		
Trade receivables considered good - unsecured	2,491.99	2,161.49
Trade receivables - credit impaired - unsecured	398.60	413.60
<b>Total</b>	<b>2,890.59</b>	<b>2,575.09</b>
Less: Loss allowances	(398.60)	(413.60)
<b>Total Trade Receivables</b>	<b>2,491.99</b>	<b>2,161.49</b>

Refer Note 46 for information about credit risk and market risk of trade receivables.

**Note (b): Ageing of trade receivables**

Unsecured Trade receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>							
(i) Undisputed - considered good	1,381.16	966.54	26.45	113.23	4.60	-	2,491.99
(ii) Disputed - credit impaired	-	-	-	-	35.84	362.76	<b>398.60</b>
<b>Total</b>	<b>1,381.16</b>	<b>966.54</b>	<b>26.45</b>	<b>113.23</b>	<b>40.44</b>	<b>362.77</b>	<b>2,890.59</b>
<b>As at March 31, 2022</b>							
(i) Undisputed - Considered good	1,412.46	652.39	38.94	51.25	6.45	-	2,161.49
(ii) Disputed - credit impaired	-	-	-	-	42.24	371.36	<b>413.60</b>
<b>Total</b>	<b>1,412.46</b>	<b>652.39</b>	<b>38.94</b>	<b>51.25</b>	<b>48.69</b>	<b>371.36</b>	<b>2,575.09</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**14 Cash and cash equivalents**

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.05	4.73
Balances with Banks		
- In current accounts	1,057.76	888.24
<b>Total</b>	<b>1,057.81</b>	<b>892.97</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2023 and previous year end.

**15 Bank Balances other than cash and cash equivalents**

	As at March 31, 2023	As at March 31, 2022
Term deposits with Banks	36.55	34.25
Less: Interest accrued (included in Note 17)	(1.96)	<b>(0.22)</b>
	34.59	34.03
Unclaimed dividends - Earmarked balances with banks	3.15	5.98
<b>Total</b>	<b>37.74</b>	<b>40.01</b>

**16 Current loans**

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured considered good</b>		
Loans to related parties (Refer Note 44)	0.47	-
Loans to employees	3.49	4.55
<b>Total</b>	<b>3.96</b>	<b>4.55</b>

**17 Other current financial assets**

	As at March 31, 2023	As at March 31, 2022
Security Deposits	55.61	36.46
Interest accrued	6.89	4.86
Derivative financial instruments	-	38.36
Other advances	20.29	58.33
Less: Allowance for doubtful advances	-	(9.81)
<b>Total</b>	<b>82.79</b>	<b>128.20</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**18 Other current assets**

	As at March 31, 2023	As at March 31, 2022
Export Benefits receivables	321.16	491.51
Excess Contribution to gratuity fund (Refer Note 40)	56.40	24.04
Interest subsidy receivable	1.11	21.56
Advances to Suppliers	68.47	67.17
Prepaid expenses	66.31	55.94
Balances with government authorities - GST Input credit receivable/refundable	2,318.00	2,121.35
Right to recover returned goods	31.00	31.00
Other advances	77.34	31.92
<b>Total</b>	<b>2,939.79</b>	<b>2,844.49</b>

**19 Equity share capital**

	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b> 3,40,00,000 [March 31, 2022: 3,40,00,000] Equity Shares of ₹10 each	3,400.00	3,400.00
<b>Issued, subscribed and fully paid up</b> 2,59,93,717 [March 31, 2022: 2,47,59,531] Equity Shares of ₹10 each	2599.37	2,475.95
	<b>2,599.37</b>	<b>2,475.95</b>

<b>Notes:</b>				
<b>a) Reconciliation of number of shares:</b>				
	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares :</b>				
Balance as at the beginning of the year	24,759,531	2,475.95	24,759,531	2,475.95
Issued during the year #	1,234,186	123.42	-	-
<b>Balance as at the end of the year</b>	<b>25,993,717</b>	<b>2,599.37</b>	<b>24,759,531</b>	<b>2,475.95</b>
<b>b) Rights, preferences and restrictions attached to shares:</b>				
<p><b>Equity shares:</b> The Group has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.</p>				

<b>c) Details of shares held by each shareholder holding more than 5% shares in the Company:</b>				
	As at March 31, 2023		As at March 31, 2022	
	%	No. of shares	%	No. of shares
Late Mohammed Yusuf Noorani ** \$	0.90	232,875	0.94	232,875
Salman Yusuf Noorani & Anees Yusuf Noorani \$	19.21	4,993,056	20.17	4,993,056
Asia Tangible Investments Pte Limited	12.14	3,154,882	12.74	3,154,882
Euro Global Holdings Pte Limited	12.14	3,154,882	12.74	3,154,882
Akash Bhanshali	-	-	1.62	401,700
Anees Yusuf Noorani #	13.53	3,516,992	11.71	2,899,899
Salman Yusuf Noorani #	12.69	3,298,437	10.83	2,681,344



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**d) Details of shareholding of promoters:**

Name of the Promoter	Year Ended March 31, 2023			Year Ended March 31, 2022		
	Number of Shares	% of total number of shares	% change during the year	Number of Shares	% of total number of shares	% change during the year
Late Mohamed Yusuf Noorani \$	232,875	0.90	-	232,875	0.94	(95.94)
Salman Yusuf Noorani & Anees Yusuf Noorani @	4,993,056	19.21	-	4,993,056	20.17	100.00
Salman Yusuf Noorani	3,298,437	12.69	18.71	2,681,344	10.83	-
Anees Yusuf Noorani	3,516,992	13.53	17.55	2,899,899	11.71	-
Euro Global Holdings Pte. Ltd.	3,154,882	12.14	-	3,154,882	12.74	-
Asia Tangible Investments Pte. Ltd.	3,154,882	12.14	-	3,154,882	12.74	-
Adnan Salman Noorani	200,000	0.77	-	200,000	0.81	-
Muna Anees Noorani	75	&	-	75	&	-
Zehra Salman Noorani	367	&	-	367	&	-
Musaed Anees Noorani	8,409	0.03	-	8,409	0.03	-
Awais Anees Noorani	75	&	-	75	&	-
Saniyya Anees Noorani	75	&	-	75	&	-
M Y Noorani 2007 Trust (Trustee - Anees Yusuf Noorani and Salman Yusuf Noorani)	607	&	-	607	&	-
<b>Total</b>	<b>18,560,732</b>	<b>71.41</b>		<b>17,326,546</b>	<b>69.97</b>	

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Company issued any bonus shares or any shares for consideration other than cash.

<b>** Includes shares held by Late Mohammed Yusuf Noorani \$</b>		
	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
a) as Trustee for and on behalf of Yusuf Noorani Family Trust	18,990	18,990
b) as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust	8,334	8,334
# During the year, the Company has allotted 12,34,186 equity shares of ₹10 each at a premium of ₹87.23 per equity share on preferential basis to the following promoters of the Company.		
	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
Anees Yusuf Noorani	617,093	-
Salman Yusuf Noorani	617,093	-

@ Salman Yusuf Noorani and Anees Yusuf Noorani jointly holds 49,93,056 equity shares of the Company as Executors to the estate of Late Mr. Mohamed Yusuf Noorani.

& Percentages are below the rounding off norms adopted by the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**20 Other Equity**

	Securities Premium Reserve		Reserves and Surplus				Other Comprehensive Income (OCI)				Total
	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	FVOCI - Debt Instruments	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	
<b>Balance as at April 1, 2021</b>	8.16	15.84	200.00	17.98	2,693.15	9,617.13	316.36		12.14	583.36	23,136.64
Loss for the year	-	-	-	-	-	(1,636.86)	-	-	-	-	(1,636.86)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	110.41	110.41
Remeasurements of defined benefit obligation	-	-	-	-	-	38.19	-	-	-	-	38.19
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	535.29	-	-	-	535.29
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	(32.04)	-	-	(32.04)
Debt instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	18.65	-	18.65
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	(12.14)	-	(12.14)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	(1,598.67)	535.29	(32.04)	6.51	110.41	(978.50)
<b>Balance as at March 31, 2022</b>	8.16	15.84	200.00	17.98	2,693.15	8,018.46	851.65	(32.04)	18.65	693.77	22,158.14
Profit for the year	-	-	-	-	-	1,598.09	-	-	-	-	1,598.09
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	86.75	86.75
Remeasurement of defined benefit obligation	-	-	-	-	-	91.16	-	-	-	-	91.16
Changes in fair value of equity instruments through other Comprehensive income (net of tax)	-	-	-	-	-	-	348.03	-	-	-	348.03
Debt instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	(20.27)	-	-	(20.27)
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	34.94	-	34.94
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	(54.62)	-	(54.62)
<b>Transactions with owners in their capacity as owners:</b>	-	-	-	-	-	1,689.25	348.03	(20.27)	(19.68)	86.75	2,083.97
<b>On Issue of Equity Shares</b>	1,076.58	-	-	-	-	-	-	-	-	-	1,076.58
<b>Balance as at March 31, 2023</b>	8.16	15.84	200.00	17.98	2,693.15	9,707.71	1,199.68	(52.31)	(1.03)	780.52	25,318.69

**Purpose of Significant Reserves:**

**Retained Earnings**

Retained Earnings are the Profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders

**Securities Premium**

Securities premium is used to record the premium on issue of shares, which is to be utilised in accordance with the provisions of the Act.

**Capital Redemption Reserve**

Represent reserve created during redemption of Preference Shares and it is a non-distributable reserve, which is to be utilised in accordance with provision of the Act.

**Statutory Reserve**

Statutory Reserve is created by allocating 10% of the net profit of the subsidiary - Zodiac Clothing Company (U.A.E.) LLC as required by Article 103 of the UAE Commercial Companies Law No. 2 of 2015 concerning commercial companies in the UAE. The subsidiary discontinued such annual transfers as this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

**General Reserve**

The general reserve is a free reserve, retained from Group's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

**FVOCI - Equity Instruments**

The Group has elected to recognise changes in the fair value of investments in certain equity securities as other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are sold.

**FVOCI - Debt Instruments**

The Group has elected to recognise changes in the fair value of investments in certain debt securities as other comprehensive income. These changes are accumulated within the FVOCI debt instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant debt securities are sold.

**Cash Flow Hedging Reserve**

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

**Foreign Currency Translation Reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve with equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**21 Non-current borrowings**

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Guaranteed Emergency Credit Line (GECL)	536.97	814.53
<b>Total Non-current borrowings</b>	<b>536.97</b>	<b>814.53</b>
Less: Current maturities of long term debt (included in Note 22)	(277.33)	(277.33)
Less: Interest accrued but not due on borrowings (included in Note 24)	(0.86)	(1.09)
<b>Total Non-current borrowings (as per Balance Sheet)</b>	<b>258.78</b>	<b>536.11</b>

Refer Note 46 for liquidity risk

**Notes:**

Nature of Security and terms of repayment:

- (i) The loan is secured by way of second charge on all current assets of the Company.
- (ii) The loan carries an interest rate ranging of 8.25 % p.a. / 9.25 % p.a. (March 31, 2022: 8.25 % p.a. / 9.25% p.a.
- (iii) The loan is repayable in 36 equated monthly instalments starting from the 13th month of their respective drawdown dates. Last installment in due on March 20, 2025.

**22 Current Borrowings**

	As at March 31, 2023	As at March 31, 2022
<b>From banks (Working Capital Loans):</b>		
In Indian Rupees		
- Rupee Packing Credit (RPC)	1,787.02	1,593.85
- Bank Overdraft	1,380.35	1,962.60
<b>From Related Parties:</b>		
Unsecured		
- Loans from Directors	-	383.39
<b>Total Current borrowings</b>	<b>3,167.37</b>	<b>3,939.84</b>
Less: Interest accrued but not due on borrowings (included in Note 24)	(3.27)	(7.17)
Current maturities of long term debt (Refer Note 21)	277.33	277.33
<b>Total Current borrowings</b>	<b>3,441.43</b>	<b>4,210.00</b>

**Nature of Security and terms of repayment:**

Current borrowings from banks are secured by way of first pari passu charge of all current assets of the Company.

RPC is repayable within 180 days. Effective Interest rate ranging from 3.10% to 6.10% p.a. (March 31, 2022: 3.10% to 6.10% p.a.)

Bank Overdraft carries rate of interest ranging from 9.10 % p.a. to 9.50 % p.a. (March 31, 2022: 9.10 % to 9.50% p.a.)

Refer Note 46 for liquidity risk

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 37.

<b>Net debt reconciliation</b>	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	1,057.81	892.97
Current Borrowings (including interest accrued but excluding current maturities of long term debt)	(3,167.37)	(3,939.84)
Non Current Borrowings (including interest accrued and current maturities of long term debt)	(536.97)	(814.53)
Lease liabilities	(2,718.38)	(2,568.76)
<b>Net debt</b>	<b>(5,364.91)</b>	<b>(6,430.16)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including interest accrued)	Current borrowings (Including interest accrued)	Total
<b>Net Debt as at April 1, 2021</b>	<b>1,723.16</b>	<b>(4,592.58)</b>	<b>(832.00)</b>	<b>(3,565.21)</b>	<b>(7,266.63)</b>
<b>Cash flows</b>	<b>(830.19)</b>	<b>674.89</b>	<b>18.56</b>	<b>(372.09)</b>	<b>(508.83)</b>
Acquisitions - Leases	-	(53.01)	-	-	(53.01)
Termination - Leases	-	1,049.30	-	-	1,049.30
Covid-19 related Rent Concessions	-	352.64	-	-	352.64
Interest expense	-	(270.51)	(72.32)	(262.25)	(605.08)
Interest paid	-	270.51	71.23	259.71	601.45
<b>Net Debt as at March 31, 2022</b>	<b>892.97</b>	<b>(2,568.76)</b>	<b>(814.53)</b>	<b>(3,939.84)</b>	<b>(6,430.16)</b>
<b>Cash flows</b>	<b>164.84</b>	<b>1,009.58</b>	<b>277.33</b>	<b>768.57</b>	<b>2,220.32</b>
Acquisitions - Leases	-	(1,528.92)	-	-	(1,528.92)
Termination - Leases	-	349.59	-	-	349.59
Covid-19 related Rent Concessions	-	-	-	-	-
Interest expense	-	(270.51)	(61.44)	(324.88)	(656.83)
Interest paid	-	290.64	61.67	328.78	681.09
<b>Net Debt as at March 31, 2023</b>	<b>1,057.81</b>	<b>(2,718.38)</b>	<b>(536.97)</b>	<b>(3,167.37)</b>	<b>(5,364.91)</b>

**23 Trade payables**

	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues of micro and small enterprises (MSME) [Refer Note below]	12.40	34.62
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer Note 44]	202.11	28.22
- others	<b>2,125.36</b>	<b>2,777.27</b>
<b>Total</b>	<b>2,339.87</b>	<b>2,840.11</b>

Refer Note 45 for information about liquidity risk and market risk of trade payables.

Aging of trade payables:

Undisputed trade payable	Unbilled Dues	Not due	Outstanding for following years from due date of payment				Total
			" Less than 1 year "	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
(i) MSME	-	7.36	5.04	-	-	-	12.40
(ii) Others	129.07	968.68	1,081.40	119.20	14.75	14.37	2,327.47
<b>Total</b>	<b>129.07</b>	<b>976.04</b>	<b>1,086.44</b>	<b>119.20</b>	<b>14.75</b>	<b>14.38</b>	<b>2,339.87</b>
As at March 31, 2022							
(i) MSME	-	-	28.67	5.95	-	-	34.62
(ii) Others	179.75	985.49	1,538.96	72.85	26.69	1.75	2,805.49
<b>Total</b>	<b>179.75</b>	<b>985.49</b>	<b>1,567.63</b>	<b>78.80</b>	<b>26.69</b>	<b>1.75</b>	<b>2,840.11</b>

**Notes:**

The Group has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11.97	31.77
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.43	2.85
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	56.57	82.91
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.46	5.45
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	0.43	2.85
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

Note: The above is based on information available with the Group regarding the registration status of the suppliers as micro and small enterprises under MSMED Act.

**24 Other financial liabilities**

**Other non-current financial liabilities**

	As at March 31, 2023	As at March 31, 2022
Security deposits	58.48	28.64
<b>Total</b>	<b>58.48</b>	<b>28.64</b>

**Other current financial liabilities**

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	4.13	8.26
Unclaimed dividends [Refer Note below]	3.15	5.98
Derivative financial instruments	1.89	-
Capital Creditors	113.82	81.47
Other payables	4.36	4.76
<b>Total</b>	<b>127.35</b>	<b>100.47</b>

**Notes:**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

**25 Provisions**

<b>Non-current Provisions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Provision for employee benefits		
- Staff end of service gratuity	11.25	9.15
<b>Total</b>	<b>11.25</b>	<b>9.15</b>
<b>Current Provisions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Provision for employee benefits		
- Compensated absences (Refer Note 40)	55.07	96.33
- Others	0.43	0.27
<b>Total</b>	<b>55.50</b>	<b>96.60</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 26 Other liabilities

#### Other non-current liabilities

	As at March 31, 2023	As at March 31, 2022
Deferred rent income	19.03	22.24
<b>Total</b>	<b>19.03</b>	<b>22.24</b>

#### Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Contract liabilities - advance from customers *	26.92	70.30
Contract liabilities - advance rent	-	8.61
Statutory dues payable	67.36	109.02
Employee benefits payable	529.39	556.68
Refund liabilities #	62.00	62.00
Deferred Rent Income	3.21	3.21
<b>Total</b>	<b>688.88</b>	<b>809.82</b>

\* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

# Where a customer has a right to return a product within a given period, the Company recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled ₹62 Lakhs (March 31, 2022 – ₹62 Lakhs). The Company also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods ₹31 Lakhs (March 31, 2022 – ₹31 Lakhs) (Refer Note 18). The costs to recover the products are not material because the customers usually return them in a saleable condition.

### 27 Revenue from Operations

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Revenue from contracts with customers</b>		
- Sale of Products	16,854.99	12,039.62
- Sale of Services (Freight and Insurance)	56.90	146.75
<b>Other operating revenue</b>		
- Export Incentives	562.25	472.41
- Process waste sale	6.73	6.42
<b>Total</b>	<b>17,480.87</b>	<b>12,665.20</b>

(i) There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2023 and March 31, 2022.

(ii) Reconciliation of revenue from contracts with customers recognised with contract price:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Contract price	17,608.20	12,577.77
Adjustments for:		
- Discounts and Rebates	(232.48)	(132.58)
- Sales returns	(463.83)	(258.82)
<b>Revenue from contract with customers</b>	<b>16,911.89</b>	<b>12,186.37</b>

### 28 Other income

	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest income		
- unwinding of discount on security deposit	46.05	58.73
- income tax refunds	0.71	91.77
- others	3.64	9.75
Dividend Income		
- financial assets measured at fair value through profit or loss	12.61	7.73
- financial assets measured at fair value through Other Comprehensive Income	-	0.02
Rent income	308.96	202.99
Net gain on fair value / sale of financial assets measured at fair value through profit or loss *	272.48	1,638.48
Net gain / (loss) on foreign currency transactions and translation	0.07	9.39
Covid-19 related Rent Concessions	-	352.64
Gain on termination / remeasurement of lease contracts	95.21	170.23
Miscellaneous income	120.28	129.49
<b>Total</b>	<b>860.01</b>	<b>2,671.22</b>

\* Includes unrealised fair value gain of ₹ 94.12 Lakhs, (₹ 1,414.27 Lakhs for year ended March 31, 2022)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 29 Cost of materials consumed

	Year Ended March 31, 2023	Year Ended March 31, 2022
Raw and packing materials at the beginning of the year	1,665.04	1,905.22
Purchases	6,418.69	4,709.02
Less: Sale of Raw and packing materials	-	(1.16)
Less: Raw and packing materials at the end of the year	(1,685.70)	(1,665.04)
<b>Total</b>	<b>6,398.03</b>	<b>4,948.04</b>

### 30 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening inventories</b>		
Finished goods	4,265.90	4,936.90
Stock-in-trade	773.71	608.53
Work-in-progress	164.16	106.08
	<b>5,203.77</b>	<b>5,651.51</b>
<b>Closing inventories</b>		
Finished goods	3,584.13	4,214.51
Stock-in-trade	405.67	773.71
Work-in-progress	164.69	164.16
	<b>4,154.49</b>	<b>5,152.38</b>
<b>Total</b>	<b>1,049.28</b>	<b>499.13</b>

### 31 Employee benefits expense

	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages, bonus etc.	3,577.19	3,363.48
Contribution to provident and other funds (Refer Note 40)	316.33	272.53
Gratuity Expenses (Refer Note 40)	61.03	63.27
Staff welfare expenses	56.74	67.59
<b>Total</b>	<b>4,011.29</b>	<b>3,766.87</b>

### 32 Finance costs

	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest expense on:		
- Term Loans	61.44	72.32
- Current Borrowings	324.88	262.25
- Lease Payments	290.64	270.51
- Others	5.71	11.77
<b>Total</b>	<b>682.67</b>	<b>616.85</b>

### 33 Depreciation and amortization expense

	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment	702.65	715.58
Depreciation on Right-of-use assets	980.81	1,042.31
Depreciation on investment property	31.22	33.39
Amortization on intangible assets	55.59	66.13
<b>Total</b>	<b>1,770.27</b>	<b>1,857.41</b>

### 34 Other expenses

	Year Ended March 31, 2023	Year Ended March 31, 2022
Consumption of stores and spares	139.06	145.96
Power and fuel	210.20	185.35
Job Work Charges	425.81	257.82
Insurance	92.21	91.63
Repairs to buildings	91.48	72.15
Repairs to machinery	14.07	17.71
Repairs and Maintenance - Others	281.59	270.21
Rent	738.16	589.05
Electricity Expenses	247.23	213.98
Retail store maintenance expenses	404.92	384.88

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Rates and Taxes	131.16	220.50
Advertisement and sales promotion	477.76	202.46
Commission to selling agents	662.42	442.65
Freight and forwarding	970.81	998.90
Trade Mark Fees	68.12	48.56
Legal and Professional Expenses	348.50	298.25
Travelling and Conveyance	288.93	221.70
Director Fees	30.60	24.10
Donations	10.00	2.83
Expenditure incurred for Corporate Social Responsibility	52.00	53.11
Exchange Fluctuation - Others	113.90	-
Allowance for doubtful debts, loans, advances and deposits etc. (net)	(15.00)	15.00
Bad debts, loans, advances and deposits etc. written off	13.54	31.61
Net Loss on sale/discard of property, plant and equipment	110.96	72.51
Bank Charges	135.69	110.00
Security Charges	99.69	90.85
Miscellaneous Expenses	129.26	131.67
<b>Total</b>	<b>6,263.27</b>	<b>5,193.44</b>

### 35 Exceptional Item

	Year Ended March 31, 2023	Year Ended March 31, 2022
Gain on Sale of Investment Properties (Net of Expenses) (Refer Note Below)	(3,901.09)	-
<b>Total</b>	<b>(3,901.09)</b>	<b>-</b>

Note: During the year ended March 31, 2023, the Company vide sale agreement dated February 07, 2023 has disposed off its Investment property situated at Plot No. 9, Part of Doddenakkundi I Phase Industrial Area, Bangalore together with structure standing thereon to a non-related party for a total consideration of ₹4,315 Lakhs, the net gain on sale of ₹3,901.09 Lakhs is recognised as exceptional item.

### 36 Income Taxes

#### i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Current tax</b>		
Expense for the year	-	113.00
<b>Total current tax (A)</b>	<b>-</b>	<b>113.00</b>
<b>Deferred tax</b>		
Deferred tax credit	(41.51)	(134.97)
<b>Total deferred tax credit (B)</b>	<b>(41.51)</b>	<b>(134.97)</b>
<b>Total tax expense for the year (C) = (A + B)</b>	<b>(41.51)</b>	<b>(21.97)</b>
Tax in respect of earlier years (D)	1.02	12.42
<b>Total tax expense/(credit) (C + D)</b>	<b>(40.49)</b>	<b>(9.55)</b>

#### ii) A reconciliation of the income tax expenses to the amount computed

	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit/(Loss) before tax	1,557.60	(1,646.41)
Less: Set off Unabsorbed Depreciation	1,159.96	
	<b>397.64</b>	
<b>Enacted income tax rate in India</b>	<b>27.82%</b>	<b>27.82%</b>
<b>Tax expenses at enacted income tax rate</b>	<b>110.62</b>	<b>(458.03)</b>
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	88.57	19.18
Additional deduction for House Property Income under Income Tax	(25.25)	(16.47)
Additional Deferred tax on undistributed profits of subsidiaries		1.1
Differential tax rate in respect of income from capital gains	(247.31)	(211.23)
Differential due to indexation on Investment Properties		
Deferred tax assets not recognised on business losses		402.08
Foreign Entities with no tax / differential tax		10.96
Differential Deferred tax on undistributed profits		
Deferred tax assets recognised on unabsorbed depreciation		235.08
Others	31.89	(4.64)
<b>Total Tax Expenses for the year</b>	<b>(41.48)</b>	<b>(21.97)</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**36 Income Taxes (Contd....)**

**iii) Tax Assets**

	As at March 31, 2023	As at March 31, 2022
Non-Current Tax Assets (net of provision of ₹2,762.57 Lakhs (As at March 31, 2022 ₹2,979.44 Lakhs))	1,158.93	1,079.44
<b>Total</b>	<b>1,158.93</b>	<b>1,079.44</b>

**iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2023:**

	As at April 01, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2022	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) in Other Compre- hensive Income	As at March 31, 2023
<b>Deferred tax assets (net)</b>							
Provision for employee benefits	23.75	2.94	-	26.69	(3.77)	-	22.92
Provision for doubtful debts and advances	125.30	4.17	-	129.47	(6.90)	-	122.57
Property, plant and equipment and intangible assets	(496.63)	69.99	-	(426.64)	98.24	-	(328.40)
Lease Liabilities and Right-of-use assets	204.41	(18.00)	-	186.41	(27.70)	-	158.71
Unabsorbed Depreciation	1,564.92	456.36	-	2,021.28	(322.70)	-	1,698.58
Business Losses	292.06	(222.19)	-	69.87	(46.86)	-	23.01
Others	(148.93)	(270.20)	(23.07)	(442.20)	(12.75)	-	(454.95)
Financial instruments (MTM) - P&L						-	-
Fair valuation of Investment (Mutual Funds & Venture Capital Funds)					386.91	-	386.91
Fair valuation of Investment (Shares)						(64.47)	(64.47)
<b>Total</b>	<b>1,564.88</b>	<b>23.07</b>	<b>(23.07)</b>	<b>1,564.88</b>	<b>64.47</b>	<b>(64.47)</b>	<b>1,564.88</b>
	As at April 01, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2022	Credit/(charge) in statement of Profit and Loss	Credit/ (charge) in Other Compre- hensive Income	As at March 31, 2023
<b>Deferred tax liabilities</b>							
Undistributed reserves of subsidiaries	(540.91)	111.90	-	(429.01)	(22.96)	-	(451.97)
<b>Total</b>	<b>(540.91)</b>	<b>111.90</b>	<b>-</b>	<b>(429.01)</b>	<b>(22.96)</b>	<b>-</b>	<b>(451.97)</b>

**Significant Estimates:** Based on the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer, the company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the Group has recognized deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward unabsorbed depreciation and business losses as detailed below has not been considered for recognition of deferred tax asset. Further, deferred tax asset on business losses has been recognised to the extent of deferred tax liabilities.

Assessment Year (A.Y.)	Business Loss			Unabsorbed Depreciation		
	As at March 31, 2023	As at March 31, 2022	Loss Carried forward for upto A.Y.	As at March 31, 2023	As at March 31, 2022	Loss Carried forward for upto A.Y.
2017 - 18	1,064.52	1,064.52	2025-26	1,224.55	1,224.55	} No Expiry
2018 - 19	1,890.73	1,890.73	2026-27	1,166.48	1,166.48	
2019 - 20	515.46	515.46	2027-28	1,056.32	1,056.32	
2020 - 21	2,052.63	2,052.63	2028-29	983.87	983.87	
2021 - 22	3,000.44	3,000.44	2029-30	871.83	871.83	
2022 - 23	2,243.96	2,243.96	2030-31	768.57	768.57	
2023 - 24	-	-		-	-	
Less - Deferred tax recognized	(82.71)	(251.16)		(6,105.62)	(7,265.57)	
<b>Unrecognized Amount</b>	<b>10,685.03</b>	<b>10,596.36</b>		<b>-</b>	<b>-</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 37 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(excludes balances of subsidiaries since not pledged)

	As at March 31, 2023	As at March 31, 2022
<b>Floating Charge</b>		
<b>Current Assets</b>		
<b>Financial Assets</b>		
- Investments	3164.08	165.66
- Trade receivables *	1951.16	1,470.86
- Cash and cash equivalents	57.66	34.93
- Bank Balances other than cash and cash equivalents #	34.59	34.03
- Loans	3.49	4.55
- Others financial assets	62.54	109.31
	5,273.52	1,819.34
<b>Non Financial Assets</b>		
- Inventories	5901.72	6,747.04
- Other current assets	2822.31	2,774.98
	8,724.03	9,522.02
<b>Total assets</b>	<b>13,997.55</b>	<b>11,341.36</b>

\* Trade Receivables represent receivables excluding related parties trade receivables as per the terms of security.

# Excludes Unclaimed dividends - Earmarked balances with banks.

### 38 Contingent liabilities, Contingent assets and commitments (to the extent not provided for)

	As at March 31, 2023	As at March 31, 2022
<b>i Contingent Liabilities</b>		
(a) Claims against the Group not acknowledged as debts in respect of:		
Income Tax matters (including TDS matters)	1352.10	1,352.10
Others matters	1.29	1.29

- (b) The Parent Company has leasehold land (perpetual lease) and building thereon at Mumbai which was transferred to Parent Company through amalgamation of Zodiac Finsec Holdings Limited (then wholly owned subsidiary of the Parent Company) with the Parent Company in Financial Year 2017-18. Zodiac Finsec Holdings Limited was previously known as Multiplex Collapsible Tubes Limited. The Parent Company have initiated the process for transfer of its proportionate share in leasehold land which is situated at Mumbai in the Parent Company's name as lessee. The amount of transfer fees, if any, is presently not ascertainable and cannot be reliably estimated and which will be known on completion of diligence exercise and determination by local authorities.

The amounts shown in respect of above items represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent upon the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decision pending with various forums/authorities.

The Group does not expect any reimbursements in respect of above contingent liabilities.

**Significant Estimates:** The Group has litigations in respect of certain Income tax matters. The management does assessment of all outstanding matters and wherever required further obtains legal advice including those relating to interpretation of law. Based on such assessment, it concludes whether a provision should be recognised or a disclosure should be made.

	As at March 31, 2023	As at March 31, 2022
<b>ii Commitments</b>		
(a) <b>Capital Commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	10.79	12.80
Less: Capital advances (Refer Note 10)	(10.79)	(12.80)
Net Capital commitments*	-	-
(b) <b>Investment Commitments related to Venture Capital funds</b>		
Investment Commitments related to Venture Capital funds	35.93	35.93

\*Refer note 38(i)(b)

“Investment commitment: contribution is to be made on “as needed” basis pursuant to drawdown notices issued by the respective funds over commitment period.

In previous year, Mirage Marketing Company LLP (MMLP) vide Deed of Adherence (DOA) dated October 31, 2020 and January 30, 2021 executed in favour of Faering Capital India Evolving Fund II and the Parent Company, has acquired Investment Commitment of class A units of Faering Capital India Evolving Fund amounting to ₹ 298.80 Lakhs from the Group and pursuant to which the Company is no longer committed for investment commitment to the extent of ₹ 298.80 lakhs.”

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**39 Earnings per share**

		Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic &amp; Diluted</b>			
Profit/(Loss) for the year	(A)	1,598.09	(1,636.86)
Weighted average number of equity shares outstanding	(B)	25,993,717	24,759,531
Basic and Diluted Earnings Per Share (₹)	(A / B)	6.42	(6.61)
Nominal value per equity shares (in ₹)		10	10

**40 Post retirement benefit plans**

**I. Defined Benefit Plan - Gratuity:**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of ₹.20 Lakhs. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

As per Actuarial Valuation as on March 31, 2023 and March 31, 2022, amounts recognised in the Consolidated financial statements in respect of Employee Benefits Scheme:

**A. Amount recognised in the Balance Sheet**

	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	891.45	952.59
Fair value of plan assets	(947.86)	(976.63)
<b>(Net plan surplus) / Net plan liability</b>	<b>(56.41)</b>	<b>(24.04)</b>

**B. Movement in plan assets and liabilities**

	Year ended March 31, 2023			Year ended March 31, 2022		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
<b>As at 1st April</b>	976.63	952.59	24.04	996.60	981.30	15.30
Current service cost	-	62.76	(62.76)	-	64.26	(64.26)
Interest cost	-	66.30	(66.30)	-	63.19	(63.19)
Interest income	67.97	-	67.97	64.18	-	64.18
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	(1.16)	1.16
Actuarial (gain)/loss arising from changes in financial assumptions	-	(28.71)	28.71	-	(33.96)	33.96
Actuarial (gain)/loss arising from experience adjustments	-	(65.51)	65.51	-	(4.09)	4.09
Return on plan assets excluding actual return of plan assets	(3.05)	-	(3.05)	(1.02)	-	(1.02)
Employer contributions	2.29	-	2.29	33.82	-	33.82
Benefit payments	(95.98)	(95.98)	-	(116.95)	(116.95)	-
<b>As at 31st March</b>	<b>947.86</b>	<b>891.45</b>	<b>56.41</b>	<b>976.63</b>	<b>952.59</b>	<b>24.04</b>

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2023	As at March 31, 2022
Active members	1,161	1,237
Retired Members	55	57
The weighted average duration of the defined benefit obligations	8 years	8 years
Expected contribution to the Fund	0.95	38.72

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**C. Consolidated Statement of Profit and Loss**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Employee Benefits Expense:</b>		
Current service cost	62.76	64.26
Net Interest expense/(income)	(1.67)	(0.99)
<b>Amount recognised in Consolidated Statement of Profit and Loss</b>	<b>61.09</b>	<b>63.27</b>
<b>Remeasurements of the net defined benefits liability:</b>		
Actuarial (gain)/losses arising from changes in demographic assumptions	-	(1.16)
Actuarial (gains)/losses arising from changes in financial assumptions	(28.71)	(33.96)
Experience gains	(65.50)	(4.09)
Return on plan assets excluding actual return on plan assets	3.05	1.02
<b>Amount recognised in Other Comprehensive Income - loss/ (gain)</b>	<b>(91.16)</b>	<b>(38.19)</b>

Total impact of remeasurement of net defined benefit plan expense recognised through Other Comprehensive Income as at March 31, 2023 and included in Retained earnings is ₹ 3.32 lakhs (Previous Year: ₹ 87.84 lakhs)

**D. Assets**

	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Insurer managed Fund	947.86	976.63
<b>Total</b>	<b>947.86</b>	<b>976.63</b>

**E. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate	7.46%	6.96%
Salary Escalation Rate*	5.00%	5.00%
Expected Return on Plan Assets	7.46%	6.96%
Attrition Rate	“For service period 5 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.”	“For service period 5 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.”

\* Taking into account inflation, seniority, promotion and other relevant factors.

**Demographic Assumptions**

Mortality in Service : Indian Assured Lives Mortality (2012-14) Urban table Indian Assured Lives Mortality (2012-14) Urban table

**F. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2023		As at March 31, 2022	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(52.45)	59.27	(59.36)	67.42
Salary Escalation Rate	1%	57.06	(51.75)	57.92	(64.18)
Attrition Rate	1%	9.89	(11.07)	9.15	(10.28)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**G. The defined benefit obligations shall mature after the end of reporting period is as follows:**

	As at March 31, 2023	As at March 31, 2022
1st Following Year	79.06	90.06
2nd Following Year	107.85	76.37
3rd Following Year	91.33	118.93
4th Following Year	69.24	92.16
5th Following Year	99.52	66.12
Sum of Years 6 to 10	455.71	466.52
Thereafter	718.78	796.73

**H. Risk Exposure - Asset Volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.

**II. Compensated absences**

The compensated absences obligations for employees in India cover the Group's liability for leave, which is actuarially valued at each year end by applying the assumptions referred in 'E' above.

The amount of the provision of ₹ 55.07 lakhs (as at March 31, 2022: ₹ 96.33 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement of these obligations.

**III. Details of Defined Contribution Plan**

The Group also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. which are administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are ₹316.33 lakhs (Previous year ₹272.53 lakhs) in the Consolidated Statement of Profit and Loss.

**41 Interest in Other entities**

The Consolidated Financial Statements includes financial statements of Zodiac Clothing Company Limited and its following Subsidiary and step down subsidiaries:

Name of the Subsidiary and step down subsidiaries:	Country of Incorporation	Proportion of Ownership of Interest	
		As at March 31, 2023	As at March 31, 2022
a) Zodiac Clothing Co. S.A.	Switzerland	100%	100%
b) Zodiac Clothing Co. (UAE) LLC.	UAE **	100%	100%
c) Zodiac Clothing Bangladesh Limited	Bangladesh	100%	100%
d) Zodiac Clothing Company Inc (w.e.f. May 11, 2021)	USA	100%	100%

\*\* The shareholders of this subsidiary are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**42 For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:**

Name of the Entities	2021-22							
	Net Assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount
<b>Parent:</b>								
- Indian	90.90%	22,393.40	60.37%	(988.11)	88.10%	579.99	41.71%	(408.12)
<b>- Foreign</b>								
Zodiac Clothing Co. S.A.	1.06%	261.07	1.03%	(16.80)	0.00%	-	1.72%	(16.80)
Zodiac Clothing Co. (UAE) LLC.	10.74%	2,646.89	0.66%	(10.79)	-4.87%	(32.04)	4.38%	(42.83)
Zodiac Clothing Bangladesh Limited	0.71%	175.90	0.49%	(8.04)	0.00%	-	0.82%	(8.04)
Zodiac Clothing Company Inc (w.e.f. May 11, 2021)	-0.02%	(4.59)	0.11%	(1.85)	0.00%	-	0.19%	(1.85)
<b>Intercompany Elimination &amp; Consolidation Adjustments</b>		(838.58)		(611.27)		110.41		(500.86)
<b>Total</b>		<b>24,634.09</b>		<b>(1,636.86)</b>		<b>658.36</b>		<b>(978.50)</b>
Non Controlling Interest in subsidiaries		-		-		-		-
<b>Grand Total</b>		<b>24,634.09</b>		<b>(1,636.86)</b>		<b>658.36</b>		<b>(978.50)</b>

Name of the Entities	2022-23							
	Net Assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount
<b>Parent:</b>								
- Indian	92%	25,591.37	99%	1,579.28	86%	419.51	96%	1998.79
Parent:								
<b>Name of the Subsidiary and step down subsidiaries:</b>								
- Foreign								
Zodiac Clothing Co. S.A.	1.02%	283.48	-0.19%	(3.07)	0.00%	-	-0.15%	(3.07)
Zodiac Clothing Co. (UAE) LLC.	9.94%	2,775.27	-0.67%	(10.78)	-4.16%	(20.27)	-1.49%	(31.05)
Zodiac Clothing Bangladesh Limited	0.52%	146.20	-0.58%	(9.21)	0.00%	-	-0.44%	(9.21)
Zodiac Clothing Company INC (w.e.f. May 11, 2021)	0.06%	16.67	1.95%	31.18	-	-	-	31.18
<b>Intercompany Elimination &amp; Consolidation Adjustments</b>		(894.95)		10.59		87.60		98.19
<b>Total</b>		<b>27,918.04</b>		<b>1,597.99</b>		<b>486.84</b>		<b>2,084.83</b>
Non Controlling Interest in subsidiaries								
<b>Grand Total</b>		<b>27,918.04</b>		<b>1,597.99</b>		<b>486.84</b>		<b>2,084.83</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 43 Segment Information:

#### Business Segment

##### Identification of Segments:

The chief operational decision maker (Managing Director) monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

(i) **The Group's business operations falls within a single primary business segment of 'clothing and clothing accessories'. Accordingly, the Group operation is a single segment in terms of its products.**

##### (ii) Entity wide disclosure

(a) Information about products and services - The Company's products falls under single product category i.e; clothing and clothing accessories..

(b) Information in respect of geographical area -

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue *	6,190.09	5,014.61	11,290.78	7,650.59	17,480.87	12,665.20
Carrying cost of segment Non Current assets**@	12,854.82	13,893.99	699.50	443.95	13,554.32	14,337.94

\* Based on location of Customers

\*\* Based on location of Assets

@ Excluding Financial Assets and deferred tax asset.

(c) Information about major customers - Revenues of approximately ₹1,913.37 Lakhs (Previous year ₹1,415.41 Lakhs) were derived from a single external customer.

### 44 Related Party Disclosures under IND AS 24

#### 1. Relationships:

(a) Key Management Personnel:

Mr. A. Y. Noorani	Non Executive Director
Mr. S. Y. Noorani	Managing Director
Mr. V. M. Apte	Independent Director
Mr. Y. P. Trivedi	Independent Director
Mr. S. R. Iyer	Independent Director
Mr. Bernhard Steinruecke	Independent Director
Ms. Elizabeth Jane Hulse	Independent Director
Mr. Naushad Forbes	Independent Director

(b) Relatives of key management personnel with whom the transactions have taken place:

Mr. Awais A. Noorani	Son of Mr. A. Y. Noorani
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(c) Enterprises over which key management personnel and / or their relatives are able to exercise significant influence and with whom transactions have taken place:

Zodiac Metropolitan Clothing Gmbh	Germany
Metropolitan Trading Company	India
Montage Corporation	India
Munraz Enterprises	India
Mustang Manufacturing Company	India
Mashal Enterprises	India
Miraj Marketing Company LLP	India

(d) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**44 Related Party Disclosures under IND AS 24 (Contd....)**

**2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:**

Nature of transactions	Related Parties							
	Referred in I(a) above		Referred in I(b) above		Referred in I(c) above		Referred in I(d) above	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers	-	-	-	-	1,771.11	1,456.94	-	-
Sale of Goods	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	6.75	9.00	-	-
Rent	-	-	-	-	-	-	-	-
Expenses	-	-	47.92	44.88	-	-	-	-
Employees benefit expenses*	45.15	6.21	-	-	-	-	-	-
Interest Expense	23.25	14.93	-	-	118.97	116.54	-	-
Other Expenses	30.60	24.10	-	-	161.79	130.62	-	-
Rent	-	-	-	-	-	-	-	-
Commission to selling agents	-	-	-	-	68.12	48.56	-	-
Director Fees	-	-	-	-	-	-	-	-
Trade Mark Fees	-	-	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	-	-	-
Others	-	-	-	-	6.58	6.07	-	-
Reimbursement of Expenses from	-	-	-	-	4.67	4.51	-	-
Reimbursement of Expenses to	-	-	-	-	-	-	-	-
Purchase of Property Plant & Equipment	-	-	-	-	-	-	-	-
Gratuity Fund contribution	-	-	-	-	-	-	2.29	33.82
Loan to related parties	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	27.09	13.50	-	-
Loan repaid back	-	-	-	-	220.94	74.75	-	-
Loan Received	911.75	378.25	-	-	-	-	-	-
Loan Repaid	1,290.00	-	-	-	-	-	-	-
Issue of Equity Shares	1,200.00	-	-	-	-	-	-	-
(including securities premium)	-	-	-	-	-	-	-	-

\* This aforesaid amount does not include amount in respect of gratuity and compensated absences as the same is not determinable on individual basis and hence considered for disclosure on payment basis.

**3. Balances with related parties referred in 1 above, in ordinary course of business:**

Nature of transactions	Related Parties			
	Referred in I(a) above		Referred in I(c) above	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Outstandings:</b>				
Current borrowings	-	378.25	-	-
Trade Payables	14.39	14.11	-	14.11
Other Current Liabilities	-	-	187.72	-
- Employee benefits payable	81.06	79.14	-	-
Other Current Financial Liabilities	-	-	-	-
- Interest accrued but not due	-	5.14	-	-
Loans (Security Deposit given)	-	22.50	45.50	127.50
Loans to related parties	-	-	-	1,163.77
Due from related party	-	-	-	-
Trade Receivables	-	-	387.91	493.80



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**44 Related Party Disclosures under IND AS 24 (Contd....)**

4	Disclosure in respect of material transactions with related parties during the year (included in 2 above)	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from contracts with customers:		
	- Zodiac Metropolitan Clothing Gmbh	1,719.51	1,415.41
	- Mashal Enterprises	51.60	41.53
	Other Income:		
	Rent		
	- Metropolitan Trading Company	6.75	9.00
	Expenses:		
	Employees benefit expenses		
	- Mr. Awais A. Noorani	47.92	44.88
	Interest expense		
	- Mr. A. Y. Noorani	21.61	2.23
	- Mr. S. Y. Noorani	23.55	3.98
	Rent		
	- Metropolitan Trading Company	93.54	92.01
	- Munraz Enterprises	17.34	16.41
	- Mustang Manufacturing Company	7.08	7.08
	- Montage Corporation	1.01	1.04
	- Mr. A. Y. Noorani	11.63	7.47
	- Mr. S. Y. Noorani	11.63	7.46
	Commission to selling agents		
	- Zodiac Metropolitan Clothing Gmbh	161.79	130.62
	Director Fees (including service tax)		
	- Mr. V. M. Apte	8.30	6.80
	- Mr. Y. P. Trivedi	7.90	6.40
	- Mr. S. R. Iyer	8.30	6.80
	- Naushad Forbes	1.70	1.20
	- Ms. Elizabeth Jane Hulse	0.50	0.50
	- Mr. Bernhard Steunruecke	3.90	2.40
	Trade Mark Fees		
	- Metropolitan Trading Company	68.12	48.56
	Miscellaneous Expenses		
	Others		
	Reimbursement of Expenses from		
	- Mashal Enterprises	6.58	6.07
	Reimbursement of Expenses to		
	- Munraz Enterprises	4.67	4.51
	Paid to Trust		
	- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	2.29	33.82
	Loan to related parties:		
	Loan given		
	- Onward LLC	27.09	13.50
	Loan repaid back		
	- Zodiac Metropolitan Clothing Gmbh	220.94	74.75
	Loan Received		
	- Mr. A. Y. Noorani	554.25	128.25
	- Mr. S. Y. Noorani	357.5	250.00
	Loan Repaid		
	- Mr. A. Y. Noorani	682.5	-
	- Mr. S. Y. Noorani	607.5	-
	Issue of Equity Shares (including securities premium)		
	- Mr. A. Y. Noorani	600.00	-
	- Mr. S. Y. Noorani	600.00	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 44 Related Party Disclosures under IND AS 24 (Contd....)

5.	Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)	As at March 31, 2023	As at March 31, 2022
	<b>Outstandings:</b>		
	<b>Current borrowings</b>		
	- Mr. A. Y. Noorani	-	128.25
	- Mr. S. Y. Noorani	-	250.00
	<b>Trade Payables</b>		
	- Zodiac Metropolitan Clothing Gmbh	6.44	26.70
	- Metropolitan Trading Company	127.30	120.90
	- Munraz Enterprises	45.17	21.78
	- Montage Corporation	2.03	1.01
	- Mustang Manufacturing company	6.78	3.78
	- Mr. A. Y. Noorani - Payable for Rent	6.35	7.37
	- Mr. S. Y. Noorani - Payable for Rent	8.04	6.74
	<b>Other Current Liabilities - Employee benefits payable</b>		
	- Mr. S. Y. Noorani - Remuneration	81.06	79.14
	<b>Other Current Financial Liabilities - Interest accrued but not due</b>		
	- Mr. A. Y. Noorani	-	1.56
	- Mr. S. Y. Noorani	-	3.58
	<b>Security Deposit</b>		
	- Metropolitan Trading Company	33.00	115.00
	- Munraz Enterprises	10.00	10.00
	- Mustang Manufacturing company	2.50	2.50
	- Mr. A. Y. Noorani	-	11.25
	- Mr. S. Y. Noorani	-	11.25
	<b>Loans to related parties</b>		
	- Onward LLC	-	441.05
	- Zodiac Metropolitan Clothing Gmbh	-	722.72
	<b>Trade Receivables</b>		
	- Zodiac Metropolitan Clothing Gmbh	381.96	490.81
	- Mashal Enterprises	5.95	2.99

§ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his Will has been completed on June 30, 2021.

#### Terms and Conditions:

Transactions were done in ordinary course of business and on normal terms and conditions.

Outstanding balances are unsecured and repayable in cash.

Refer Note 38 (ii) (b) in respect of transfer of investment commitment by the Group to related party.

### 45 Fair Value Measurement:

#### (i) Financial Instrument by category and hierarchy.

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

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

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.

The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2023	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
<b>Financial Assets</b>											
<b>Investments</b>											
- Equity instruments	1,478.08	-	1,478.08	-	-	-	-	1,478.08	-	-	1,478.08
- Preference shares	-	-	-	-	-	-	-	-	-	-	-
- Bonds	57.06	-	57.06	-	-	-	-	-	57.06	-	57.06
- Mutual funds	-	3,164.08	3,164.08	3,164.08	-	-	-	-	-	-	3,164.08
- Venture capital fund	3,695.95	-	3,695.95	-	-	3,695.95	-	-	-	-	3,695.95
	<b>5,231.09</b>	<b>3,164.08</b>	<b>8,395.17</b>	<b>3,164.08</b>	-	<b>3,695.95</b>	-	<b>1,478.08</b>	<b>57.06</b>	-	<b>8,395.17</b>
<b>Other Assets</b>											
- Loans to Employees	8.43	3.49	11.92	-	-	-	-	-	-	11.92	11.92
- Security Deposits	-	-	-	-	-	-	-	-	-	-	-
- Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
- Loans to related parties	969.46	-	969.46	-	-	-	-	-	-	969.46	969.46
- Other Financial Assets	1,038.96	27.18	1,066.14	-	-	-	-	-	-	1,066.14	1,066.14
- Trade receivable	-	2,491.99	2,491.99	-	-	-	-	-	-	2,491.99	2,491.99
- Cash and Cash equivalents	-	1,057.81	1,057.81	-	-	-	-	-	-	1,057.81	1,057.81
"- Bank Balances other than cash and cash equivalents"	-	37.74	37.74	-	-	-	-	-	-	37.74	37.74
	<b>2,008.42</b>	<b>3,614.72</b>	<b>5,623.14</b>	-	-	-	-	-	-	<b>5,623.14</b>	<b>5,623.14</b>
<b>Financial Liabilities</b>											
- Borrowings	258.78	3,441.43	3,700.21	-	-	-	-	-	-	3,700.21	3,700.21
- Derivative Financial instruments	-	1.89	1.89	-	0.86	-	-	-	1.03	-	1.89
- Other Financial Liabilities	58.48	127.35	185.83	-	-	-	-	-	-	-	-
- Trade Payables	-	2,339.87	2,339.87	-	-	-	-	-	-	2,339.87	2,339.87
	<b>317.26</b>	<b>5,910.54</b>	<b>6,227.80</b>	-	<b>0.86</b>	-	-	-	<b>1.03</b>	-	<b>6,041.97</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2022	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
<b>Financial Assets</b>											
<b>Investments</b>											
- Equity instruments	1,058.50	-	1,058.50	-	-	-	-	-	-	-	1,058.50
- Bonds	72.34	-	72.34	-	-	-	-	-	-	-	72.34
- Mutual funds	-	165.66	165.66	165.66	-	-	-	-	-	-	165.66
- Venture capital fund	3,784.00	-	3,784.00	-	3,784.00	-	-	-	-	-	3,784.00
	<b>4,914.84</b>	<b>165.66</b>	<b>5,080.50</b>	<b>165.66</b>	<b>3,784.00</b>	<b>3,949.66</b>	<b>1,130.84</b>	<b>1,130.84</b>	<b>-</b>	<b>-</b>	<b>5,080.50</b>
<b>Other Assets</b>											
- Loans to Employees	9.83	4.55	14.38	-	-	-	-	-	-	14.38	14.38
- Security Deposits	-	-	-	-	-	-	-	-	-	-	-
- Derivative financial instruments	-	38.36	38.36	-	12.52	12.52	-	25.84	-	-	38.36
- Loans to related parties	1,163.77	-	1,163.77	-	-	-	-	-	-	1,163.77	1,163.77
- Other Financial Assets	1,128.42	89.16	1,217.58	-	-	-	-	-	-	1,217.58	1,217.58
- Trade receivable	-	2,161.49	2,161.49	-	-	-	-	-	-	2,161.49	2,161.49
- Cash and Cash equivalents	-	892.97	892.97	-	-	-	-	-	-	892.97	892.97
- Bank Balances other than cash and cash equivalents	-	40.01	40.01	-	-	-	-	-	-	40.01	40.01
	<b>2,302.02</b>	<b>3,226.54</b>	<b>5,528.56</b>	<b>-</b>	<b>12.52</b>	<b>12.52</b>	<b>-</b>	<b>25.84</b>	<b>-</b>	<b>5,490.20</b>	<b>5,528.56</b>
<b>Financial Liabilities</b>											
- Borrowings	536.11	4,210.00	4,746.11	-	-	-	-	-	-	4,746.11	4,746.11
- Other Financial Liabilities	28.64	100.47	129.11	-	-	-	-	-	-	129.11	129.11
- Trade Payables	-	2,840.11	2,840.11	-	-	-	-	-	-	2,840.11	2,840.11
	<b>564.75</b>	<b>7,150.58</b>	<b>7,715.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,715.33</b>	<b>7,715.33</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(ii) Fair value of financial assets and liabilities measured at amortised cost:**

Foreign currency	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investment Others				
- Loans to Employees	11.92	10.57	14.38	13.19
- Security Deposits	1013.9	1035.39	1,163.88	1,261.10
<b>Total</b>	<b>1,025.82</b>	<b>1,045.96</b>	<b>1,178.26</b>	<b>1,274.29</b>

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

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date
- net asset value ('NAV') / fair market value ('FMV') are determined based on audited financial statements / valuation reports / NAV / FMV provided by fund manager
- the fair value of remaining financial instrument is determined using discounted cash flow analysis.

**(iv) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

	Venture Capital Fund*
<b>As at April 1, 2021</b>	<b>2,498.10</b>
Acquisitions	-
Disposal	(333.10)
Gain recognised in statement of profit and loss	1,619.00
<b>As at March 31, 2022</b>	<b>3,784.00</b>
Acquisitions	-
Disposal	(327.05)
Gain recognised in statement of profit and loss	239.00
<b>As at March 31, 2023</b>	<b>3,695.95</b>

\*The Group has invested in following funds and these funds have been further invested into various companies.

1. Faering Capital India Evolving Fund
2. Paragon Partners Growth Fund - I
3. Faering Capital India Evolving Fund II
4. Tata Capital Growth Fund
5. Tata Capital Healthcare Fund

The Group has considered fair market values based on audited financial statement and/or valuation reports and/or NAV / FMV statements provided by venture capital fund.

Investment commitment in respect of venture capital funds are on "as needed" basis and will be at face value. [Refer Note 38(ii)(b)]

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 46 Financial Risk Management:

#### Financial risk management objectives and policies

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

#### (A) 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, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, future committed transactions, foreign currency receivables, payables, borrowings etc.

The Group manages market risk through its finance department (headed by CFO), which evaluates and exercises independent control over the entire process of market risk management. The finance department recommend 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 like foreign exchange forward contracts, option contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

#### Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio, which could vary on either side based on current interest rates scenario.

According to the Group interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

#### Exposure to interest rate risk

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings	3,700.21	4,746.11
% of Borrowings out of above bearing variable rate of interest	85.51%	74.78%

#### Interest rate sensitivity

#### A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2022-2023	2021-2022
50 bp increase- increase in loss *	15.82	17.75
50 bp decrease- decrease in loss *	(15.82)	(17.75)

\* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

#### Market Risk- Foreign currency risk

The Group operates internationally and portion of the business is transacted in different currencies and consequently the Group is exposed to foreign exchange risk through its sales, purchases etc. in various foreign currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts and option contracts to hedge exposure to foreign currency risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

(Foreign Currency in Lakhs)

Foreign currency	As at March 31, 2023		As at March 31, 2022	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	53.06	-	35.64	-
Forward Contracts EURO	7.01	-	2.34	-
Forward Contracts GBP	3.69	-	6.72	-

Derivative financial instruments such as foreign exchange forward and option contracts are used for hedging purposes and not as trading or speculative instruments. The Group designates these hedging instruments as cash flow hedges to hedge foreign currency risk in cash flow from firm commitment (sales order/purchase orders).

**(b) Particulars of unhedged foreign currency exposures as at the reporting date**

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Trade payables	2.09	-	** 0.00	5.29	0.04	**

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Trade Receivables	16.75	6.35	3.99	6.16	0.93	2.71

\*\* Amount is below the rounding off norms adopted by the Company.

**Foreign Currency Risk Sensitivity**

**A change of 5% in Foreign currency would have following Impact on loss before tax**

Particulars	2022-23		2021-22	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(60.18)	60.18	(3.31)	3.31
EURO	(26.20)	26.20	(3.78)	3.78
GBP	(20.28)	20.28	(13.49)	13.49
<b>Increase / (decrease) in loss</b>	<b>(106.66)</b>	<b>106.66</b>	<b>(20.58)</b>	<b>20.58</b>

**Market Risk- Price Risk**

**(a) Exposure**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of portfolio is done in accordance with limits set by the Group.

**(b) Sensitivity**

(i) The table below summarises the impact of increases/decreases of the BSE index on the Group's equity and other comprehensive income for the year arising from portfolio of investment in equity shares of listed companies. The analysis is based on the assumption that the index has increased by 10 % or decreased by 10 % with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Impact on other comprehensive income	
	March 31, 2023	March 31, 2022
BSE Sensex 30- Increase 10%	147.81	105.85
BSE Sensex 30- Decrease 10%	(147.81)	(105.85)

Above referred sensitivity pertains to quoted equity investment (Refer Note 8). Other Comprehensive Income for the year would increase/ (decrease) as a result of gains/losses on equity securities as at fair value through Other Comprehensive Income.

(ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) /fair market value (FMV) of Group's investment in venture capital fund units and statement of profit and loss for the year arising from portfolio of investment in venture capital funds. The analysis is based on the assumption that the NAV / FMV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Group's venture capital funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2023	March 31, 2022
- Increase 10%	369.60	378.40
- Decrease 10%	(369.60)	(378.40)

\*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(iii) The table below summarises the impact of increases/decreases in the net asset value (NAV) of Group's investment in mutual fund units and statement of profit and loss for the year arising from portfolio of investment in mutual funds. The analysis is based on the assumption that the NAV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Group's mutual funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2023	March 31, 2022
- Increase 10%	316.41	16.57
- Decrease 10%	(316.41)	(16.57)

\*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(iv) The table below summarises the impact of increases/decreases in the market value of Group's investment in bonds and statement of profit and loss for the year arising from portfolio of investment in bonds. The analysis is based on the assumption that the market value has increased by 10% or decreased by 10% with all other variables held constant.

Particulars	Impact on loss before tax*	
	March 31, 2023	March 31, 2022
- Increase 10%	5.71	7.23
- Decrease 10%	(5.71)	(7.23)

\*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

**(B) Credit risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from trade receivables, cash and cash equivalents, deposit with banks, derivative financial instruments, investments, loan to employee and security deposits. The Group manages and analyses the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents, deposit with banks, derivative financial instruments and investment is limited as Group generally deals with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual and accredited venture fund.

While loans and security deposits for rental premises, loan to related parties and loan to employees are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(i) Credit risk management:**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Sale to retail customers are required to be settled in cash or using major cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors or regions.

In respect of sales to export customers (including sales done by subsidiary), there are no past history of losses, thus the identified expected credit loss was immaterial.

Credit risk for domestic trade receivable is managed by the Group through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Group grants credit terms in the normal course of business.

**Loss allowance for expected credit losses**

**The Group provides for expected credit loss on domestic trade receivables for indian operations under simplified approach**

**As at March 31, 2023**

<b>Ageing</b>	<b>Total</b>
Gross carrying amount	448.05
Expected Credit loss - measured at life -time expected credit loss	398.60
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>128.60</b>

**As at March 31, 2022**

<b>Ageing</b>	<b>Total</b>
Gross carrying amount	580.13
Expected Credit loss - measured at life -time expected credit loss	413.60
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>166.53</b>

**Reconciliation of loss allowance – Trade receivables**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Opening provision</b>	413.60	398.60
Add:- Additional provision made	(15.00)	15.00
<b>Closing provisions</b>	<b>398.60</b>	<b>413.60</b>

No Significant changes in estimation techniques or assumptions were made during the year.

**Significant estimates and judgements:****Impairment of financial assets**

The impairment provision for financial assets disclosed above are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(C) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group's finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Floating Rate		
Expiring within one year (Current Borrowing facilities)	1,835.90	1,445.58
Expiring beyond one year (bank loans)	-	-

The bank loan facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the non-continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

**ii) Maturity patterns of borrowings**

Particulars	As at March 31, 2023				As at March 31, 2022			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Non current borrowings (Including current maturity of long term debt)	277.33	258.78		536.11	277.33	536.11	-	813.44
Current borrowings	3,164.10			3,164.10	3,932.67	-	-	3,932.67
<b>Total</b>	<b>3,441.43</b>	<b>258.78</b>	<b>-</b>	<b>3,700.21</b>	<b>4,210.00</b>	<b>536.11</b>	<b>-</b>	<b>4,746.11</b>

**Maturity patterns of Financial Liabilities - other than borrowings**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments -

As at March 31, 2023	0-3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	1522.08	423.46	246	148.34	2,339.88
Lease Liabilities	348.14	203.52	409.16	1,757.55	2,718.38
Other Financial Liabilities	124.5		3.15	58.48	186.13
<b>Total</b>	<b>1,994.72</b>	<b>626.98</b>	<b>658.31</b>	<b>1,964.37</b>	<b>5,244.39</b>

**Maturity patterns of Financial Liabilities - other than borrowings**

As at March 31, 2022	0-3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	2,024.88	815.23	-	-	2,840.11
Lease Liabilities	453.69	180.45	351.95	3,079.96	4,066.05
Other Financial Liabilities	94.49	-	5.98	28.64	129.11
<b>Total</b>	<b>2,573.06</b>	<b>995.68</b>	<b>357.93</b>	<b>3,108.60</b>	<b>7,035.27</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**46 Financial risk management (contd.)**

**Impact of Hedging Activities**

**(a) Disclosure of effects of hedge accounting on financial position:**

**Cash flow hedge of Foreign exchange risk as at March 31, 2023:**

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	5,310.00	(1.41)	1:1	(1.41)	(1.41)

**Cash flow hedge of Foreign exchange risk as at March 31, 2022:**

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	2,504.75	25.84	1:1	25.84	25.84

**(b) Disclosure of effects of hedge accounting on financial performance:**

**Cash flow hedge March 31, 2023**

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	(1.41)		(25.84)	Revenue
	(1.41)		(25.84)	

**Cash flow hedge March 31, 2022**

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	25.84	-	(14.08)	Revenue
Foreign exchange risk - Options contracts	-	-	(2.64)	Revenue
	25.84	-	(16.72)	

Amount in bracket represents expense/ loss

\* The foreign exchange forward contracts and option contract are denominated in the same currency as the firm commitment (sales order/purchase orders), therefore the hedge ratio is 1:1.

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**45 Financial Risk Management (contd.)****Movements in cash flow hedging reserve**

Derivative Instrument	Foreign exchange forward contracts - SELL	Foreign exchange forward contracts - BUY	Foreign exchange options	Total
<b>Balance – As at April 1, 2021</b>	<b>10.22</b>	-	1.92	12.14
Change in fair value of foreign exchange forward contract	25.84	-	-	<b>25.84</b>
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(14.08)	-	(2.64)	<b>(16.72)</b>
Deferred tax relating to the above (net)	(3.33)	-	0.72	<b>(2.61)</b>
<b>Balance – As at March 31, 2022</b>	<b>18.65</b>	-	-	<b>18.65</b>
Change in fair value of foreign exchange forward contract	(1.41)	-	-	<b>(1.41)</b>
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(25.84)	-	-	<b>(25.84)</b>
Deferred tax relating to the above (net)	7.57	-	-	<b>7.57</b>
<b>Balance – As at March 31, 2023</b>	<b>(1.03)</b>	-	-	<b>(1.03)</b>

Amount in bracket represents expense/ loss

**47 Capital Management**

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Group is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares..

The Group’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group’s management monitors the return on capital as well as the level of dividends to shareholders.

- 48** The Code on Social Security, 2020 (‘Code’) relating to employee benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not yet been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**49 Additional Regulatory Information and Disclosures as required by Schedule III:**

- a) “Details of benami property held:  
No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.”
- b) “Borrowing secured against current assets:  
Parent Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Parent Company with banks are in agreement with the books of accounts.”
- c) “Wilful defaulter:  
Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.”
- d) “Relationship with struck off companies:  
The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.”
- e) “Compliance with number of layers of companies:  
The Group has complied with the number of layers prescribed under the Companies Act, 2013.”

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

- f) “Compliance with approved scheme(s) of arrangements:  
The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.”
- g) “Registration of charges or satisfaction with Registrar of Companies:  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.”
- h) “Utilisation of borrowed funds and share premium:  
The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i). 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
- (ii). provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries  
The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i). 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
- (ii). provide any guarantee, security or the like on behalf of the ultimate beneficiaries.”
- i) “Undisclosed income:  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.”
- j) “Details of crypto currency or virtual currency:  
The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.”
- k) “Valuation of PP&E, intangible asset and investment property:  
The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.”
- l) Utilisation of borrowings availed from banks and financial institutions:  
The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- m) “The Company’s international transactions and domestic transactions with related parties are at arm’s length as per the independent accountants report for the year ended 31 March 2022. Management believes that the Group’s international transactions and domestic transactions with related parties for the year ended 31 March 2023 and post 31 March 2023 continue to be at arm’s length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.”
- n) “Following disclosures are not applicable for consolidated financial statements as per Schedule III:  
(a) Title deeds of immovable properties  
(b) Accounting ratios”
- o) Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.
- 50 These consolidated financial statements were authorised for issue by the directors on May 30, 2023.  
As per our attached report of even date

### For M S K A & Associates

Chartered Accountants

Firm Registration Number: 105047W

### Ankush Agrawal

Partner

Membership No. 159694

Mumbai

May 30, 2023

### For and on behalf of the Board of Directors

Zodiac Clothing Company Limited

CIN: L17100MH1984PLC033143

### A. Y. NOORANI

Chairman

DIN: 00041686

### S. Y. NOORANI

Vice Chairman & Managing Director

DIN: 00068423

### B. MAHABALA

Chief Financial Officer

Mumbai

May 30, 2023

### KUMAR IYER

Company Secretary



