

# CandourTechtex Limited

(Formerly known as Chandni Textiles Engineering Industries Ltd)

Regd Office: 108/109, T.V. Industrial Estate, 52, S.K.Ahire Marg, Worli, Mumbai-400030, Maharashtra, India  
Phone:022-24950328; Mobile no.: 9324802995 / 9324802991. Email: jrgroup@jrmehta.com;sales@cteil.com  
CIN: L25209MH1986PLC040119

Date: September 6, 2023

<p>To, The Listing Manager, The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001</p> <p>Scrip Code: 522292 Scrip Id: CANDOUR</p>	<p>To, The Listing Manager, Listing Department, The Metropolitan Stock Exchange of India Limited, Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400070</p> <p>MSEI Symbol: CANDOUR</p>
---	---

Dear Sir/Madam,

**Sub: 37<sup>th</sup> Annual Report of the Company for the Financial Year 2022-23.**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith the 37<sup>th</sup> Annual Report for the Financial Year 2022-23.

We request you to take the above information on records.

Thanking You.

Yours faithfully,

**FOR CANDOUR TECHTEX LIMITED**

JAYESH  
RAMNIKLAL  
MEHTA

Digitally signed by JAYESH  
RAMNIKLAL MEHTA  
Date: 2023.09.06 18:36:13  
+05'30'



**JAYESH RAMNIKLAL MEHTA  
MANAGING DIRECTOR**

**DIN NO.: 00193029**

**ANNUAL REPORT**

**2022-2023**

**CANDOUR TECHTEX LIMITED  
(Formerly CHANDNI TEXTILES  
ENGINEERING INDUSTRIES  
LIMITED)**

**INDEX**

<b>S. NO.</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
<b>1.</b>	Board and Committees as on March 31, 2023.	3
<b>2.</b>	Notice to Shareholders.	4-23
<b>3.</b>	Director's Report.	24-44
<b>4.</b>	Management Discussion and Analysis Report.	45-50
<b>5.</b>	Report on Corporate Governance.	51-82
<b>6.</b>	Independent Auditor Report.	83 -100
<b>7.</b>	Balance Sheet as on March 31, 2023.	101-102
<b>8.</b>	Profit and Loss as on March 31, 2023.	103-104
<b>9.</b>	Cash Flow Statement as on March 31, 2023.	105-107
<b>10.</b>	Notes on Financials.	108-159

**BOARD AND COMMITTEES AS ON 31<sup>ST</sup> MARCH, 2023**

<b>THE BOARD OF DIRECTORS</b>	<b>COMMITTEES</b>
Jayesh Ramniklal Mehta [Managing Director/ Chairperson]	
Amita Jayesh Mehta [Non - Executive Director]	<b>AUDIT COMMITTEE</b>
Sharmila Hiralal Amin [Executive Director]	Mr. Rameshchand Garg [Chairperson]
Bharat Sugnomal Bhatia [Independent Director]	Mr. Bharat Sugnomal Bhatia
Rameshchand Garg [Independent Director]	Mrs. Mansi Harsh Dave
Mansi Harsh Dave [Independent Director]	Mr. Jayesh Ramniklal Mehta
	<b>NOMINATION AND REMUNERATION COMMITTEE</b>
	Mr. Bharat Sugnomal Bhatia [Chairperson]
	Mr. Rameshchand Garg
	Mrs. Mansi Harsh Dave
	Mr. Jayesh Ramniklal Mehta
	<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>
	Mr. Bharat Sugnomal Bhatia [Chairperson]
	Mrs. Mansi Harsh Dave
	Mr. Jayesh Ramniklal Mehta
	Mr. Rameshchand Garg
<b>Chief Financial Officer</b>	Mr. Shailesh Sankav
<b>Company Secretary &amp; Compliance Officer</b>	Mrs. Kirti Pathak Thakre
<b>Registered Office Address</b>	108/109, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai - 400030
<b>Registrar and Share Transfer Agent</b>	<b>Purva Shareregistry (India) Private Limited</b>
	9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai - 400011
<b>Secretarial Auditor</b>	M/s. N L Bhatia & Associates
<b>Statutory Auditor</b>	M/s. Ambavat Jain & Associates, LLP, Chartered Accountant
<b>Banks</b>	ICICI Bank
	Bank of India
	Union Bank of India
	HDFC Bank
<b>Website of the Company</b>	<a href="http://www.cteil.com">www.cteil.com</a>

## **NOTICE TO SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT 37<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF CANDOUR TECHTEX LIMITED (FORMERLY KNOWN AS “CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED”) WILL BE HELD ON SATURDAY, SEPTEMBER 30, 2023, AT 03:30 P.M. THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM) DEEMED TO BE HELD AT REGISTERED OFFICE OF THE COMPANY SITUATED AT 108/109 T. V. INDUSTRIAL ESTATE, 52, S.K. AHIRE MARG, WORLI, MUMBAI 400030 FOR TRANSACTING THE FOLLOWING BUSINESS:**

---

### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Auditors and Board of Directors thereon.**
- 2. To appoint a Director in place of Mrs. Amita Jayesh Mehta (DIN: 00193075), who retires by rotation and being eligible offers herself for re-appointment.**

### **SPECIAL BUSINESS:**

- 3. To Re-appoint and fix remuneration of Mr. Jayesh Ramniklal Mehta as a Chairman and Managing Director of the Company.**

To consider and, if thought fit, to give an assent or dissent to the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Jayesh Ramniklal Mehta (DIN: 00193029) as Chairman and Managing Director of the Company for a period of five years w.e.f. April 01, 2022 to March 31, 2027 at a remuneration **not exceeding Rs. 1,00,000 per month** inclusive of perquisites as per applicable provisions of the Act read with rules thereof as amended from time to time on the terms and conditions of appointment and remuneration as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Jayesh Ramniklal Mehta as Chairperson and Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Director(s) and/or Officer(s) of the Company, to give effect to this resolution.”

#### 4. Approval for Sale/Transfer of Plastic Division of the Company.

To consider and, if thought fit, to give an assent or dissent to the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), 188(1)(a) and other applicable provisions of the Companies Act, 2013 read with Rule 15 of Companies (Management and Administration) Rules, 2014 and the relevant rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 (3), 37A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**hereinafter referred to as “SEBI (LODR) Regulations, 2015”**) and any other Rules and Regulations framed by the Securities and Exchange Board of India, and the enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“Board”** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / dispose of the Plastics Division of the Company (“Undertaking”) together with the use of all the licenses, permits, consents and approvals whatsoever, and all related assets (movable and immovable, tangible and intangible) and identified liabilities, contracts and employees, by way **“of Slump Sale”** (as defined under Section 2 (42C) of the Income Tax Act, 1961) to **ABSOLUTE PLASTICS PRIVATE LIMITED**, a related party of the Company, at such consideration as decided by the Board **not exceeding Rs. 6,75,00,000 (Rupees Six Core Seventy Five Lakhs Only) ( value determined by an Independent Valuer)** and on such terms and conditions and with effect from such date and in such manner as the Board may think fit and proper.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to finalize and execute necessary documents including but not limited to definitive agreements including the Business Transfer Agreement (“**BTA**”), deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

**RESOLVED FURTHER THAT** any of the Directors of the Board of Directors of the Company, be and is hereby authorized and empowered to execute the documents, deeds or writings required to be executed in relation to the resolution mentioned above and other incidental documents, make applications to regulatory and governmental authorities for the purposes of obtaining all approvals, consents, permissions and sanctions required by Company and to do all acts and deeds as may be necessary, proper, desirable and/or expedient to give effect to this resolution.”

**By the order of the Board  
CANDOUR TECHTEX LIMITED**

**Sd/-  
Jayesh R Mehta  
Chairperson & Managing Director  
DIN: 00193029**

**Date: August 14, 2023  
Place: Mumbai**

**NOTES:**

- Pursuant to the General Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (“MCA”) (collectively referred to as “MCA Circulars”) and Circular numbers SEBI/HO/CFD/CMD1/ CIR/P/2020/79, dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/ PoD-2/P/CIR/2023/4 dated January 5, 2023, issued by the Securities and Exchange Board of India (“SEBI”) (**hereinafter collectively referred to as “the Circulars”**). Companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. **The deemed venue for the 37<sup>th</sup> AGM shall be deemed to be the Registered Office of the Company situated at 108/109, T. V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai -400030.**
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. In compliance with the circulars the AGM is being held through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM.
- Pursuant to the provisions of Section - 108 of the Companies Act, 2013 read with Rule - 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation - 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with **Central Depository Services (India) Limited (“CDSL”)** for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting before AGM as well as the e-voting on the date of the AGM will be provided by CDSL
- The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**“the Act”**) in respect of the Special Business specified under **Item No. 3 & Item No.4** of the accompanying Notice is annexed hereto.
- Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“the Listing Regulations”**) and Secretarial Standard on General Meetings (**“SS - 2”**), with respect to Director seeking appointment/re-appointment at the AGM, is annexed to this Notice.



- Corporate Members intending to authorise their representatives to participate in the AGM through VC/ OAVM on its behalf and to vote through remote e-voting/ during the AGM, pursuant to Section 113 of the Act are requested to send a certified copy of the relevant Board Resolution to the Scrutiniser by email through its registered mail addresses to [ashutosh.somani@spkg.co.in](mailto:ashutosh.somani@spkg.co.in) with a copy marked to [e-voting@cDSLindia.com](mailto:e-voting@cDSLindia.com)
- The Board has appointed **Mr. Ashutosh Somani, Partner of M/s S P K G & Co. LLP, Practising Chartered Accountant, Mumbai (Membership No.:178942)** voting during the AGM in a fair and transparent manner.
- The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, to all those Members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, not later than two working days from the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The results declared along with the report of the Scrutiniser shall be placed on the website of the Company at [compliance@cteil.com](mailto:compliance@cteil.com) and on the website of CDSL at [www.evoting.cdsl.com](http://www.evoting.cdsl.com) immediately. The Company shall simultaneously communicate the results to BSE Limited and Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.
- Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of AGM i.e. **Saturday, September 30, 2023.**
- The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice and this mode will be available throughout the proceedings of the Meeting. The Members will be able to view the proceedings on the CDSL e-voting website at [www.evoting.cdsl.com](http://www.evoting.cdsl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first serve basis as per the MCA Circulars. The detailed instructions for joining the Meeting though VC/OAVM forms part of the Notes to this Notice.
- Institutional/Corporate Members intending to appoint their authorised representatives pursuant to Section 113 of the Act, to attend the 37<sup>th</sup> AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution

(PDF/JPG format) to the Scrutinizer by email at [ashutosh.somani@spkg.co.in](mailto:ashutosh.somani@spkg.co.in) with a copy marked to [compliance@cteil.com](mailto:compliance@cteil.com)

- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section - 103 of the Act.
- Pursuant to the provisions of Section - 91 of the Act, the Register of Members and the Share Transfer Books of the Company will not be closed for the purpose of 37<sup>th</sup> AGM of the Company.
- In line with the MCA Circulars, the Notice of the AGM along with the Annual Report 2022-2023 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories/RTA. The Notice convening the 37<sup>th</sup> AGM and Annual Report 2022-2023 has been uploaded on the website of the Company at [www.cteil.com](http://www.cteil.com) and may also be accessed from the relevant section on the websites of the Stock Exchanges, i.e. BSE Limited and Metropolitan Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.msei.com](http://www.msei.com) respectively. The Notice of the AGM is also available on the website of NSDL <https://e-voting@cdslindia.com>.
- The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Saturday, September 23, 2023 being Cut-off Date**.
- Since the 37<sup>th</sup> AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section - 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM **i.e. Saturday, September 30, 2023**. Members seeking to inspect such documents can send an email to [compliance@cteil.com](mailto:compliance@cteil.com).
- As per Regulations - 39 and 40 of the Listing Regulations, as amended, listed companies can effect issuance of duplicate securities certificate; renewal / exchange, endorsement, sub-division/split, consolidation of securities certificate, transfer, transmission and transposition, as applicable in Dematerialized form only with effect from January 24, 2022.

Further, SEBI vide its circular dated November 03, 2021, read with clarification dated December 14, 2021 introduced common and simplified norms for processing investor's service request by Registrar and Transfer Agent(s) (RTAs) and norms for furnishing PAN, KYC details and Nomination. Accordingly, effective January 01, 2022, the RTA shall not process any service requests or complaints received from the holder(s) / claimant(s), till

PAN, KYC and Nomination documents/details are updated. On or after 1st April, 2023, in case of any of the above cited documents/details are not available in the folios, RTA shall be constrained to freeze such folios. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. This communication was also intimated to the Stock Exchanges and available on the website of the Company. In view of this requirement and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to update their KYC details (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) and consider converting their holdings to dematerialized form. Members can download Forms to make their service request with RTA from link <https://www.purvashare.com> or contact the Company's RTA 022 - 23016761 ('Registrar') at (email of RTA) [support@purvashare.com](mailto:support@purvashare.com) for assistance in this regard.

- Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registration of nomination, Power of Attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
- To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any joint holder / Member as soon as possible. Members are also advised to periodically obtain / request their DP for statement of their shareholding and the same be verified from time to time.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

#### **CDSL e-Voting System – For Remote e-voting and e-voting during Annual General Meeting (“AGM”):**

#### **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVMARE AS UNDER:**

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The voting period **begins on Wednesday, September 27, 2023 at 10:00 A.M. and ends on Friday, September 29, 2023 at 05:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **Cut-**

**Off Date (Record Date) of Saturday, September 23, 2023** may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation - 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b> .	<b>1)</b> Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The 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 visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New

	<p>System Myeasi Tab.</p> <ol style="list-style-type: none"> <li>2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL, so that the user can visit the e-voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL Website and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <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 able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) 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.nsdl.com">https://eservices.nsdl.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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> </ol>

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (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 or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b> .	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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 or joining virtual meeting & voting during the meeting

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode:**

**(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- (1)** The shareholders should log on to the e-voting website [www.e-votingindia.com](http://www.e-votingindia.com).
- (2)** Click on “Shareholders” module.
- (3)** Now enter your User ID
  - (a)** For CDSL: 16 digits beneficiary ID.
  - (b)** For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - (c)** Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (4)** Next enter the Image Verification as displayed and Click on Login.
- (5)** If you are holding shares in demat form and had logged on to [www.e-votingindia.com](http://www.e-votingindia.com) and voted on an earlier e-Voting of any Company, then your existing password is to be used.
- (6)** If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi)** After entering these details appropriately, click on “SUBMIT” tab.
- (vii)** Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting Only:**
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.e-votingindia.com](http://www.e-votingindia.com) and register themselves in the “Corporate” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.e-voting@cdslindia.com](mailto:helpdesk.e-voting@cdslindia.com).
  - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compliance@cteil.com](mailto:compliance@cteil.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **at least 10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [compliance@cteil.com](mailto:compliance@cteil.com) (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise

not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM/EGM.

- 10.** If any Votes are cast by the shareholders through the e-voting available during the AGM/EGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

- 1.** For Physical Shareholders- please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
- 2.** For Demat Shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
- 3. For Individual Demat Shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.e-voting@cdslindia.com](mailto:helpdesk.e-voting@cdslindia.com) or call at toll free no. 1800 22 55 33.

**EXPLANATORY STATEMENT PURSUANT SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 3:**

The Board of Directors of the company at their meeting held on **August 14, 2023** approved re-appointment of Mr. Jayesh Ramniklal Mehta (DIN: 00193029) as a Chairman and Managing Director of the Company. Keeping in view Mr. Jayesh Ramniklal Mehta's (DIN: 00193029) rich and varied experience in the business of manufacturing of machines, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their Meeting held on **August 14, 2023** approved the re-appointment of Mr. Jayesh Ramniklal Mehta (DIN: 00193029) as Chairman and Managing Director of the Company for a period of five years with effect from April 01, 2022 at a remuneration **not exceeding Rs. 1,00,000 per month** inclusive of perquisites as per applicable provisions of the Act read with Rules thereof as amended from time to time on the terms and conditions of appointment and remuneration as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee. The remuneration shall be paid to Mr. Jayesh Ramniklal Mehta (DIN: 00193029) as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company. It is proposed to seek the members' approval for the re-appointment and remuneration payable to Mr. Jayesh Ramniklal Mehta (DIN: 00193029) as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Act and Regulation as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Mrs. Amita Jayesh Mehta, being relative of Mr. Jayesh Ramniklal Mehta, is also deemed to be interested in the said Resolution.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Director recommends the relevant resolution for your consideration and approval as Special Resolution.

**ITEM NO. 4:**

In the 36<sup>th</sup> Annual General Meeting held on September 29, 2022, the Shareholder approves the Special Resolution for Sale/Transfer of Plastic Division of the Company under Securities Exchange Board of India (Listing of Obligation & Disclosure Requirements) Regulation, 2018 and Companies Act, 2013 but the Company was not able to complete the transaction. To complete the transaction, the Board of Directors at their Meeting held on **August 14, 2023** approved the Slump Sale of Plastic Division the company and recommended the same to shareholders for their approval.

As a part of long term corporate strategy, the Board of Directors ("**the Board**") of the Company have proposed to sell and transfer the Company's plastic division (being operated as a separate division/undertaking) engaged in the business of contact manufacture of plastic moulds and other plastic to **ABSOLUTE PLASTICS PRIVATE LIMITED**, a related party of the Company ("**Buyer**") as an inseparable whole, as a going concern on slump sale basis, the lump sum consideration for such sale and transfer being **not exceeding Rs. 6,75,00,000 (Rupees Six Crores Seventy Five Lakh Only)** subject to customary closing adjustments in accordance with the provisions of the Business Transfer Agreement to be executed between the Company and the Buyer ("**BTA**"), without values being assigned to the individual assets and liabilities in accordance with the provisions of Section 50B read with Section 2 (42C) of the Income Tax Act, 1961, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board may deem fit and appropriate in the interest of the Company ("**Proposed Transaction**").

In accordance with the provisions of Section - 180(1)(a) of the Act, any sale, lease or otherwise disposal of whole or substantially the whole of the undertaking of a company requires the approval of members of the company by way of a Special Resolution. An undertaking for the purpose of Section 180(1) (a) of the Act means an undertaking in which the investment of the Company exceeds 20% of its net worth as per the Audited Balance Sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Since the Plastics Divisions Undertaking exceeds the threshold specified herein, the transfer of the Plastics Division Undertaking requires approval of the members by a special resolution under Section 180(1) (a) of the Act.

The Proposed Transaction was approved by the Board at its Meeting held on **August 14, 2023**. Pursuant thereto, the BTA is proposed to be executed between the Company and the Buyer. Under the BTA, sale and transfer of the Business Undertaking from the Company to the Buyer is conditional upon satisfactory completion of the condition precedent (including the approval of the Members, lenders and other necessary approvals as may be required for the Proposed Transaction) by the parties.

The Proposed Transaction would be in the nature of a related party transaction under Section - 188(1) (b) of the Act read with rules made thereunder including Circular, Notification,

Clarifications thereto, as it involves selling or otherwise disposing of property of any kind to the Buyer, which is a related party of the Company. Members of the Company are further requested to note that Section - 188(1)(b) of the Act read with Rule - 15(3)(a)(ii) of the Companies (Meetings of Board and Its Powers) Rules, 2014, requires that any transaction entered into between Related Parties for selling or otherwise disposing of, or buying property of any kind, where the amount involved equals to or exceeds 10% (ten percent) of the net worth of the Company is to be approved by the members of the Company by way of a resolution.

In terms of Regulation - 23(3) of SEBI LODR Regulation, Audit Committee approval is required for Related Party Transactions; The Audit Committee approved the Proposed Transaction in their Meeting held on **August 14, 2023**.

In terms of Regulation - 23(4) of the SEBI LODR Regulations, all material Related Party Transactions (including transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged) shall require approval of the Shareholders through resolution. As per Regulation - 23(4), no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Therefore, related parties will be abstained from voting. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, with a related party exceeds **10%** (ten percent) of the Annual Consolidated Turnover of the listed entity as per the last Audited Financial Statements of the listed entity. Further, Regulation - 23(2) of the LODR Regulations inter-alia provides that the requirement of obtaining Approval of Members under Regulation - 23(4) of the LODR Regulations shall be applicable for a material transaction and proviso to Regulation - 23(1) defines material transaction if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees One Thousand Crores or ten per cent of the Annual Consolidated Turnover of the listed entity as per the last Audited Financial Statements of the listed entity, whichever is lower. As per latest Audited Financial Statements, the Company is not fulfilling the above mentioned conditions. Therefore, the requirement of obtaining the Approval of Members under Regulation - 23(4) of the LODR Regulations shall not apply to the Proposed Transaction.

In terms of Regulation 37A of SEBI LODR Regulation, a listed entity carrying out sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of such entity or where it owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, shall - (a) take prior approval of shareholders by way of special resolution.

**The Company has obtained a Statement Certifying the Net Worth of the Plastic Division Undertaking from M/s. Deepak H. Padachh & Co., Chartered Accountants.**

Except for Mr. Jayesh Ramniklal Mehta and Mrs. Amita Jayesh Mehta who are also the Directors and Shareholders on the Board of the Companies, and their respective relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution.

The Board is of the opinion that the aforesaid Special Resolution is in the best interest of the Company and hence, recommends passing of the Special Resolution as contained in Item No. 4 of the accompanying Notice for the Approval of the Members of the Company.

**By the order of the Board  
CANDOUR TECHTEX LIMITED**

**Sd/-  
Jayesh R Mehta  
Chairperson & Managing Director  
DIN: 00193029**

**Date: August 14, 2023  
Place: Mumbai**

**ANNEXURE - I****Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations) and SS-2 Secretarial Standard on General Meetings seeking re-appointment at ensuing 37<sup>th</sup> Annual General Meeting.**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>	
<b>1.</b>	Name of the Director	<b>Jayesh Ramniklal Mehta</b>	<b>Amita Jayesh Mehta</b>
<b>2.</b>	Age	<b>61</b>	<b>59</b>
<b>3.</b>	DIN	00193029	00193075
<b>4.</b>	Date of Birth	15/08/1962	01/11/1963
<b>5.</b>	Date if first appointment on the Board	17/06/1986	17/06/1986
<b>6.</b>	Qualifications	Textile Engineer	Commerce Graduate
<b>7.</b>	Expertise	Mr. J R Mehta has over 26 years experience in the textile industry.	Mrs. Amita Jayesh Mehta deals with the sourcing of Materials.
<b>8.</b>	Other Directorships	<ul style="list-style-type: none"> <li>• Chandni Machines Limited</li> <li>• Absolute Plastics Private Limited</li> <li>• JR Auto Components Private Limited</li> <li>• KJM Engineering Tools Private Limited</li> <li>• Humans Of Bombay Stories Private Limited</li> <li>• Jumping Genius School Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Chandni Machines Limited</li> <li>• JR Auto Components Private Limited</li> <li>• KJM Engineering Tools Private Limited</li> </ul>
<b>9.</b>	Number of meetings of the Board attended during the year	5	5
<b>10.</b>	Listed Companies (other than Candour Techtex Limited) in which he/she holds Directorship and Committee Membership.* *includes only Audit	Chandni Machines Limited	Chandni Machines Limited

	Committee & Stakeholders' Relationship Committee		
11.	Shareholding in Candour Techtext Limited	43,92,091 Equity Shares of Rs. 10/- each.	10,52,021 Equity Shares of Rs. 10/- each.
12.	Relationship between Directors inter-se	Ms. Amita Jayesh Mehta is relative of Mr. Jayesh Ramniklal Mehta.	Mr. Jayesh Ramniklal Mehta is relative Ms. Amita Jayesh Mehta.

By the order of the Board  
CANDOUR TECHTEX LIMITED

Sd/-  
Jayesh R Mehta  
Chairperson & Managing Director  
DIN: 00193029

Date: August 14, 2023  
Place: Mumbai

Registered Office:  
108/109, T. V. Industrial Estate,  
52, S. K. Ahire Marg,  
Worli, Mumbai-400030.



## **DIRECTOR'S REPORT**

**Dear Shareholders,**

Your Directors have pleasure in presenting the 37<sup>th</sup> Annual Report together with Audited Financial Statements for the year ended March 31, 2023 of Candour Techtex Limited (Formerly known as Chandni Textiles Engineering Industries Limited). The Financial Results of the Company have been summarized and given below:

### **1. FINANCIAL HIGHLIGHTS OF THE COMPANY**

<b>Particulars</b>	<b>2022-2023</b>	<b>2021-2022</b>
Revenue from Operations	59,63,26,659	1,74,18,97,137
Other Income	4,22,33,013	1,59,39,483
<b>Total Revenue</b>	<b>63,85,59,672</b>	<b>1,75,78,36,620</b>
<b>Profit before depreciation, finance costs &amp; tax</b>	<b>4,43,92,984</b>	<b>4,53,86,499</b>
<b>Less: Depreciation and Amortisation</b>	<b>1,62,07,305</b>	<b>1,62,65,775</b>
Finance Costs	51,14,144	47,22,265
<b>Profit before exceptional items and tax</b>	<b>2,30,71,535</b>	<b>2,43,98,459</b>
<b>Less: Exceptional Items</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>2,30,71,535</b>	<b>2,43,98,459</b>
<b>Tax Expense</b>		
Current tax	40,16,758	41,74,657
Deferred tax	(39,81,741)	27,24,414
<b>Profit after tax</b>	<b>2,30,36,519</b>	<b>1,74,99,387</b>
Balance brought forward from previous year	4,37,03,900	2,61,04,655
Less: Effect of Adoption of IND AS (net of taxes)	-	-
Add: Other comprehensive Income	(1,10,206)	99,858
<b>Balance carried to balance sheet</b>	<b>6,66,30,213</b>	<b>4,37,03,900</b>

### **2. OPERATIONS OF THE COMPANY**

Turnover of the Company has Decreased to **Rs. 59,63,26,659/-** in the Current Year as compared to **Rs. 1,74,18,97,137/-** in the Previous Year.

The Profit before tax has Decreased to **Rs. 2,30,71,535/-** in the Current Year as compared to **Rs. 2,43,98,459/-** in the Previous Year.

The Net Profit after tax has increased to **Rs. 2,30,36,519/-** in the Current Year as compared to **Rs.1,74,99,387/-** in the Previous Year.

**3. DIVIDEND:**

The Board of Directors ("**Board**") after assessing the performance, capital position, solvency and liquidity levels of the Company and in order to conserve the resources of Company, your Directors do not recommend any dividend.

The Company has formulated a Dividend Distribution Policy which has been approved by the Board. In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") the Dividend Distribution Policy is hosted on the website of the Company at [www.cteil.com](http://www.cteil.com).

**4. TRANSFER TO RESERVES:**

The Company had profits **Rs. 2,29,26,313/-** as at March 31, 2023. An amount of **Rs. 2,29,26,313/-** is proposed to be retained in the Profit & Loss Account. Other comprehensive figure

**5. CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the financial year, there has been no change in the business of the Company or in the nature of business carried by the Company during the financial year under review. The Company is exploring the possibility to enter into the technical textile business.

**6. MATERIAL CHANGES AND COMMITMENTS:**

No material changes and commitments, if any, affecting the financial position of the Company which have occurred between end of the financial year of the Company to which the Financial Statements relate and the date of the Report.

**7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

As on March 31, 2023, your Company does not have any Subsidiary, Associate or Joint Venture Companies.

**8. SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS:**

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status and the Company's operation in future.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Amita Jayesh Mehta, Director retires by rotation at the

ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment which has been annexed to this report as "**Annexure - I**".

Mr. Jayesh Ramniklal Mehta has been re-appointed as a Managing Director in the ensuing Annual General Meeting for a period of five years commencing from April 01, 2022 to March 31, 2027. The Board of Directors recommends her re-appointment which has been annexed to this report as "**Annexure - I**".

None of the Directors is disqualified for appointment/ re-appointment under Section 164 of the Companies Act, 2013. As required by law, this position is also reflected in the Auditor's Report.

The Composition of the Board, Meetings of the Board held during the year and the attendance of the Directors thereat have been mentioned in the Report on Corporate Governance in the Annual Report.

All Independent Directors have given Declaration of compliance of Rule 6(1) & (2) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended along with the declaration that they meet the Criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

During the Financial Year 2022 - 2023, there was no change in the Composition of Board of Directors.

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. Jayesh Ramniklal Mehta, Managing Director, Mr. Shailesh Pandurang Sankav, Chief Financial Officer and Mrs. Kirti Pathak, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company during the year.

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

During the year under review, **Five Board Meetings** were conducted i.e. **May 30, 2022, August 13, 2022, November 9, 2022, February 13, 2023 and March 31, 2023**. All the Directors were present in the entire Board Meeting for the F.Y. 2022-23. The Composition of the Board and other details relating to the Board Meetings has been provided in the Corporate Governance Report. The gap between two Board Meetings did not exceed 120 days as per Section 173 of the Companies Act, 2013.

#### **11. COMMITTEES:**

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 read with Rules framed thereunder viz.,

- i) Audit Committee.**
- ii) Nomination and Remuneration Committee.**

**iii) Stakeholders Relationship Committee.**

The Composition of all such Committees, Number of Meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

**i) AUDIT COMMITTEE:**

As on March 31, 2023 the Audit Committee of the Board of Directors of the Company comprises of 4 (Four) Members namely:

- Mr. Rameshchand Garg - Chairperson.
- Mr. Bharat Sugnomal Bhatia - Member.
- Mrs. Mansi Harsh Dave - Member.
- Mr. Jayesh Ramniklal Mehta - Member.

During the year **Four Committee Meetings** were held on **May 30, 2022, August 13, 2022, November 09, 2022 and February 13, 2023**. All the Members were present in all the Four Audit Committee Meeting for the F.Y. ended 2022 - 23.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

**ii) NOMINATION AND REMUNERATION COMMITTEE:**

As on March 31, 2023 the Nomination & Remuneration Committee of the Board of Directors of the Company comprises of **4 (Four) Members** namely:

- Mr. Bharat Sugnomal Bhatia - Chairperson.
- Mr. Rameshchand Garg - Member
- Mrs. Mansi Harsh Dave - Member.
- Mr. Jayesh Ramniklal Mehta - Member

During the year One Committee Meetings were held on **August 13, 2022**. All the Members were present in the Nomination & Remuneration Committee Meeting for the F.Y. ended 2022 - 23.

The Board accepted the recommendations of the Nomination & Remuneration Committee whenever made by the Committee during the year.

**iii) STAKEHOLDER RELATIONSHIP COMMITTEE:**

As on March 31, 2023 the Stakeholder Relationship Committee of the Board of Directors of the Company comprises of **4 (Four) Members** namely:

- Mr. Bharat Sugnomal Bhatia - Chairperson.
- Mr. Jayesh R. Mehta - Member
- Mrs. Mansi Harsh Dave - Member.
- Mr. Rameshchand Garg - Member.

During the year **Four Committee Meetings** were held on **May 30, 2022, August 13, 2022, November 09, 2022 and February 13, 2023**. All the Members were present in the Stakeholder Relationship Committee Meeting for the F.Y. ended 2022 - 23.

The Board accepted the recommendations of the Stakeholder Relationship Committee whenever made by the Committee during the year.

#### **12. DECLARATION BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declaration of compliance of Rule 6(1) & (2) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended along with the declaration that they meet the Criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

The Company convened Independent Director's Separate Meeting in terms of Schedule IV to the Companies Act, 2013 on **February 13, 2023**.

#### **13. PUBLIC DEPOSITS:**

The Company has not accepted any Public Deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year and there are no outstanding deposits which are pending for repayment.

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

The Company has been following a policy with respect to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The appointment of Directors on the Board is subject to the recommendation of the Nomination and Remuneration Committee ("**NRC**"). Based on the recommendation of the NRC, the remuneration of Executive Director is fixed in accordance with the provisions of the Companies Act, 2013 which comprises of Basic Salary, Perquisites, Allowances and Commission. The Remuneration of Non-Executive Directors comprises of sitting fees in accordance with the provisions Companies Act, 2013.

The criteria for Appointment of Board of Directors and Remuneration Policy of your Company are placed on the website of the Company [www.cteil.com](http://www.cteil.com).

**15. EVALUATION OF BOARD OF DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee formulated the criteria for evaluation of the performance of the Board of Directors, its various Committees constituted as per the provisions of the Companies Act, 2013 and Individual Directors. Based on that, the Board of Directors carried out an Annual Evaluation of its own performance and of its various Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and expressed their satisfaction with its performance and performance of its Committees. The Board of Directors also evaluated the performance of Individual Director on the basis of self-appraisal and expressed their satisfactory performance. The Board of Directors also carried out an Annual Performance Evaluation of its Independent Directors and expressed their satisfaction with their functioning / performance.

**16. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company appointed M/s. N L Bhatia & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2022 - 2023. The Report is attached herewith as "*Annexure - II*" to the Board's Report.

There are no qualifications, reservations, adverse remark or disclaimer in the Secretarial Audit Report.

During the year no instances of fraud were reported by the Secretarial Auditors of the Company.

**17. ANNUAL RETURN:**

The Annual Return for F.Y. 2022 - 2023 is available on the website of the Company at [www.cteil.com](http://www.cteil.com).

**18. AUDITORS:****STATUTORY AUDITORS:**

M/s Ambavat Jain & Associates, LLP Chartered Accountants (Firm Registration No.: 109681W) were re-appointed as Statutory Auditors of the Company for a period of Five (5) years till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company.

The Auditors' Report on Standalone Financial Statements for the F.Y. 2022 - 2023, issued by M/s. Ambavat Jain & Associates LLP, Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

During the year no instances of fraud were reported by the Statutory Auditors of the Company as per Section 142(12) of the Companies Act, 2013.

**19. STATUTORY AUDITORS REPORT:**

The Auditors Report on Standalone Financial Statements for the F.Y. 2022 - 2023 issued by M/s. Ambavat Jain & Associates, LLP Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

**20. PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE ACT:**

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in **Note No.4** to the Financial Statements. The Company has not given any loans and guarantees under Section 186 of the Act during the F.Y. 2022 - 2023.

**21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of Contracts or Arrangements entered into by the Company with Related Parties referred to in Sub - Section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form AOC-2 pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "**Annexure - III**" to this report. All Related Party Transactions are presented to the Audit Committee and the Board. The Company has framed a Policy on Related Party Transactions. The Policy on Related Party Transaction can be accessed on the website of the Company [www.cteil.com](http://www.cteil.com).

**22. RISK MANAGEMENT:**

The Company has a Risk Management framework for identification, assessment and mitigation of risks. This framework essentially creates transparency and minimizes the risk and adverse impact on the business objectives and enhances the Company's competitive edge. This frame work consists of various risk models helping in indentifying risk, risk trends, exposure and potential influence analysis is separately for various business segments and at various levels of the Company.

Based on the operations of the Company new risks, if any, are identified, appropriate steps are taken to mitigate them. Our internal control encompasses various management system, structures of organisation, standard and code of conduct which all put together help in managing the risks associated with the Company.

**23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has a proper and adequate system of Internal Controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. An extensive programme of Internal Audits and Management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The Internal Control System has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. The Company has in placed adequate Internal Financial Controls with reference to Financial Statements.

In accordance with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the Financial Statements.

**24. ESTABLISHMENT OF VIGIL MECHANISM:**

In pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company [www.cteil.com](http://www.cteil.com).

**25. CORPORATE GOVERNANCE :**

A Report on Corporate Governance along with a Certificate from Practicing Company Secretary of the Company confirming of Corporate Governance requirements as stipulated under Regulation 27 of SEBI (LODR) Regulations, 2015 forms part of this Annual Report.

**26. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has provided a safe and dignified work environment for employee which is free of discrimination. The objective of this Policy is to provide Protection against Sexual Harassment of Women at Workplace and for Redressal of any such complaints of Harassment.

Pursuant to requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, it is hereby declared that the Company has not received any complaint of Sexual Harassment during the year.



**27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS STIPULATED UNDER SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

**(a) Conservation of Energy :**

Technology up gradation, modernization, and the introduction of control instrumentation are practiced realizing the full potential of energy conservation in our organization. The Company does a continual improvement for optimum utilization of resources to ensure minimize consumption of energy, water, natural resources while maximizing production volumes in eco friendly manner.

**(b) Technology Absorption:**

Your Company has not imported any technology for manufacture of textiles yarn or plastic crates.

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

	<b>FY 2022 - 2023</b>	<b>FY 2021 - 2022</b>
Total Foreign Exchange Outgo	NIL	NIL
Total Foreign Exchange Earned (FOB)	NIL	NIL

**28. PARTICULARS OF EMPLOYEES:**

Information as required under the provisions of Section 197 of the Act, read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in "**Annexure - IV**" to the Director's Report. There are no employees employed throughout the financial year that was in receipt of remuneration of Rs. 1.02 Crores or more, or employed for part of the year and in receipt of Rs. 8.5 Lakhs or more a month, as mentioned under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of this Annual Report attached as "**Annexure - V**".

**30. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES:**

During the year, Company has amended the Code of Conduct for Prevention of Insider Trading in Securities ("**Code**") in accordance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, which is effective from April 01, 2019. The amended Code is uploaded on the website of the Company. The objective of the Code is to protect the interest of shareholders at large, to prevent misuse of any Unpublished Price Sensitive Information ("**UPSI**") and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons and Employees.

Further, the Company has maintained Structured Digital Database ("**SDD**") under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 for capturing and maintain the trail of sharing UPSI of the Company with the Designated Persons.

**31. REPORTING OF FRAUD BY THE AUDITORS:**

Pursuant to the provisions of Section 143 (12) of the Companies Act, 2013, no instance of fraud has been reported by the Auditors against the Company.

**32. INSIDER TRADING CODE:**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Fair Disclosure Code**") which are in force. The Fair Disclosure Code is available on the website of the Company at [www.cteil.com](http://www.cteil.com).

**33. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied the applicable provisions of Secretarial Standards i.e. SS - 1 and SS -2, issued by Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Act during the year under Report.

**34. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid Annual Listing Fees for the year **2023 - 2024** to both the Stock Exchanges i.e. The BSE Limited and The Metropolitan Stock Exchange of India Limited where the Company's shares are listed.

**35. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors to the best of their knowledge hereby state and confirm that:

- (a) In the preparation of the Annual Accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures.
- (b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the March 31, 2023 and of its profit for the year.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and were operating effectively, and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**36. CAUTIONARY STATEMENT:**

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

**37. ACKNOWLEDGEMENTS:**

The Directors wish to convey their appreciation to all employees for their enormous efforts at the individual level as well as their collective contribution to the Company's performance. The Directors would also like to thank the Shareholders, Customers, Dealers, Suppliers, Bankers, Government and all the Other Business Associates for the continuous support given by them to the Company and their confidence in Management.

**For and on behalf of Board of Directors  
Candour Techtex Limited**

**Sd/-  
Jayesh Ramniklal Mehta  
Managing Director  
DIN: 00193029**

**Date: August 14, 2023.  
Place: Mumbai**

**ANNEXURE - I****Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations) and SS-2 Secretarial Standard on General Meetings seeking re-appointment at ensuing 37<sup>th</sup> Annual General Meeting.**

S. No.	Particulars	Details	
1.	Name of the Director	<b>Jayesh Ramniklal Mehta</b>	<b>Amita Jayesh Mehta</b>
2.	Age	<b>61</b>	<b>59</b>
3.	DIN	00193029	00193075
4.	Date of Birth	15/08/1962	01/11/1963
5.	Date if first appointment on the Board	17/06/1986	17/06/1986
6.	Qualifications	Textile Engineer	Commerce Graduate
7.	Expertise	Mr. J R Mehta has over 26 years experience in the textile industry.	Mrs. Amita Jayesh Mehta deals with the sourcing of Materials.
8.	Other Directorships	<ul style="list-style-type: none"> <li>• Chandni Machines Limited</li> <li>• Absolute Plastics Private Limited</li> <li>• JR Auto Components Private Limited</li> <li>• KJM Engineering Tools Private Limited</li> <li>• Humans Of Bombay Stories Private Limited</li> <li>• Jumping Genius School Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Chandni Machines Limited</li> <li>• JR Auto Components Private Limited</li> <li>• KJM Engineering Tools Private Limited</li> </ul>
9.	Number of meetings of the Board attended during the year	5	5
10.	Listed Companies (other than Candour Techtex Limited) in which he/she holds Directorship and Committee Membership.* *includes only Audit Committee &	Chandni Machines Limited	Chandni Machines Limited

	Stakeholders' Relationship Committee		
11.	Shareholding in Candour Techtex Limited	43,92,091 Equity Shares of Rs. 10/- each.	10,52,021 Equity Shares of Rs. 10/- each.
12.	Relationship between Directors inter-se	Ms. Amita Jayesh Mehta is relative of Mr. Jayesh Ramniklal Mehta.	Mr. Jayesh Ramniklal Mehta is relative Ms. Amita Jayesh Mehta.

By the order of the Board  
CANDOUR TECHTEX LIMITED

Sd/-  
Jayesh R Mehta  
Chairperson & Managing Director  
DIN: 00193029

Date: August 14, 2023  
Place: Mumbai

**ANNEXURE - II**

**FORM NO. MR 3**  
**SECRETARIAL AUDIT REPORT**

**To,**  
**The Members,**  
**Candour Techtex Limited**  
**(Formerly known as Chandni Textiles Engineering Industries Limited)**

Our Report of even date is to be read along with this letter:

- (1)** Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
- (2)** We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we have followed are aligned with Auditing Standards issued by the Institute of Company Secretaries of India (ICSI) provide a reasonable basis for our opinion.
- (3)** We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
- (4)** Wherever required we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
- (5)** The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- (6)** The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For M/S. N.L. Bhatia & Associates**  
**Practising Company Secretaries**  
**UIN: P1996MH055800**  
**PR NO.:700/2020**

**Sd/-**  
**N L Bhatia**  
**Partner**  
**FCS:1176**

**Date: August 16, 2023**  
**Place: Mumbai.**

**CP. NO.: 422**  
**UDIN: F001176E000810600**

**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 of Managerial Personnel) Rules, 2014]*

---

**To,**  
**The Members,**  
**Candour Techtex Limited**  
**(Formerly known as Chandni Textiles Engineering Industries Limited)**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good governance practices by **“Candour Techtex Limited” (Formerly known as “Chandni Textiles Engineering Industries Limited”)** having Corporate Identification Number (CIN) L25209MH1986PLC040119 (**hereinafter called “the Company”**). Secretarial Audit was conducted in conformity with the Auditing Standards issued by the Institute of Company Secretaries of India (**“the Auditing Standards”**) and the processes and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide 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 files 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 the 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** generally 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 Financial Year ended on March 31, 2023 according to the provisions of:

- (i)** The Companies Act, 2013 (**“the Act”**) and the Rules made thereunder including statutory amendments made thereto and modifications thereof for the time being in force.
- (ii)** The Securities Contracts (Regulation) Act, 1956 (**“SCRA”**) and the Rules made thereunder.
- (iii)** The Depositories Act, 1996 and the Regulation 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 to the extent applicable.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”): -
  - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
  - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
  - c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
  - d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time.
  - e. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time.
- (vi) Other Applicable Laws as per “Annexure-A”.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);
- (ii) Circulars / Notifications issued by Ministry of Corporate Affairs (“MCA”) for holding Meetings through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”).

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** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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



All the Decisions at the Board Meetings and Committee Meetings were passed unanimously and with requisite majority at General Meetings.

**We further report that**, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that during the period under review**, the Company had altered in the Annual General Meeting held on **September 29, 2022**, the Object Clause of Memorandum of Association of the Company.

**During the period under review**, the Company had paid an amount of **Rs. 14,160/-** each as a fine to both Stock Exchange i.e. **BSE Limited ("BSE") and Metropolitan Stock Exchange of India ("MSEI")** for the delayed compliances under Regulation - 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For M/S. N.L. Bhatia & Associates  
Practicing Company Secretaries  
UIN: P1996MH055800  
PR NO.: 700/2020**

**Sd/-  
N L Bhatia  
Partner  
FCS:1176  
CP. NO.: 422  
UDIN: F001176E000810600**

**Date: August 16, 2023.  
Place: Mumbai.**

**Annexure - A**

**LIST OF APPLICABLE LAWS**

- 1. Tax Laws:**
  - a. GST Act, 2017.
  - b. Income Tax Act, 1961.
- 2. Employee Laws:**
  - a. Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972.
  - b. The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975.
  - c. The Payment of Wages Act, 1936.
  - d. The Minimum Wages Act 1948.
  - e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Scheme framed thereunder.
  - f. The Employees' State Insurance Act 1948.
  - g. Equal Remuneration Act, 1976.
  - h. Workmen's Compensation Act, 1923.
  - i. Factories Act, 1948 and rules made thereunder
  - j. Industrial Disputes Act, 1947
  - k. Labour Welfare Fund Act.
- 3. Environment (Protection) Act, 1986**
- 4. The Shops and Establishment Act.**
- 5. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

**Note: This is an indicative list and not an exhaustive list.**

**ANNEXURE - III****FORM NO. AOC-2**

***[Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]***

**Form for disclosure of Particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2023 which were not at Arm's Length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

<b>Name of the Related parties</b>	<b>Nature of contracts / arrangements / transactions</b>	<b>Duration of the contracts / arrangements / transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Amount paid as advances, if any</b>
Chandni Machines Limited [formerly known as Chandni Machines Private Limited]	Purchase of Capital Goods	01-04-2022 to 31-03-2023	25,000	N.A.
	Rent/Compensation paid	01-04-2022 to 31-03-2023	5,28,589	
	Rent/Compensation received	01-04-2022 to 31-03-2023	10,57,371	
Humans of Bombay Stories Pvt Ltd	Rent/Compensation received	01-11-2022 to 31-03-2023	6,16,450	
Mr. Jayesh Ramniklal Mehta	Remuneration paid to Managing Director	01-04-2022 to 31-03-2023	12,00,000	
Mr. Shailesh Sankav	Salary & Bonus	01-04-2022 to 31-03-2023	7,93,000	
Mrs. Kirti Pathak	Salary & Bonus	01-04-2022 to 31-03-2023	1,80,000	

**For and on behalf of Board of Directors  
Candour Techtex Limited  
Sd/-  
Jayesh Ramniklal Mehta  
Managing Director  
DIN: 00193029**

**Date: August 14, 2023.**

**Place: Mumbai**

**ANNEXURE - IV****PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

**Disclosures in terms of Sub-Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2023.**

S. No.	Requirement	Disclosure	
		Name of Director	Ratio
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Jayesh Ramniklal Mehta	2.92 : 1
		Mrs. Amita Jayesh Mehta	0.05 : 1
		Mr. Bharat Sugnomal Bhatia	0.10 : 1
		Mr. Rameshchand Garg	0.10 : 1
		Ms. Sharmila Hiralal Amin	0.05 : 1
		Mrs. Mansi Harsh Dave	0.10 : 1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.	<b>Name of Director/ CEO/CFO/CS</b>	<b>Percentage increase in their remuneration during the Financial Year ended 2023</b>
		Mr. Jayesh R Mehta	NIL
		Mrs. Amita Jayesh Mehta	-42.86%
		Mr. Bharat Sugnomal Bhatia	-27.27%
		Mr. Rameshchand Garg	-27.27%
		Ms. Sharmila Hiralal Amin	-42.86%
		Mr. Shailesh Sankav	6.90%
		Mrs. Mansi Harsh Dave	166.67%
3.	The percentage increase in the median remuneration of employees in the Financial Year	Not Applicable	
4.	Number of permanent employees on the rolls of Company at the end of Financial Year	7 employees	

5.	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.	Not Applicable
6.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company

**For and on behalf of Board of Directors  
Candour Techtex Limited**

**Sd/-  
Jayesh Ramniklal Mehta  
Managing Director  
DIN: 00193029**

**Date: August 14, 2023.**

**Place: Mumbai**

**ANNEXURE - V****MANAGEMENT DISCUSSION AND ANALYSIS**

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended March 31, 2023.

**INTRODUCTION:**

Global growth is projected to fall from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024 as per International Monetary Fund's (IMF) World Economic Outlook (WEO) July 2023. While the current forecast for 2023 is modestly higher than predicted in the April 2023 WEO, it remains weak by historical standards. Global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward. The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking, reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient. In most economies, the support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

Indian Economy According to the IMF, growth in India is projected at 6.1% in 2023, a 0.2% point upward revision compared with the April 2023 projection, reflecting momentum from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment. Although significant challenges remain in the global environment, India is the one of the fastest growing economies in the world. According to World Bank, India's growth continues to be resilient despite some signs of moderation. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Inflation remained high, averaging around 6.7 percent in FY23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices. Although headline inflation is elevated, it is projected to decline to an average of 5.2 percent in FY24, amid easing global commodity prices and some moderation in domestic demand. The Reserve Bank of India's has withdrawn accommodative measures to rein in inflation by hiking the policy interest rate. India's financial sector also remains strong, buoyed by improvements in asset quality and robust private-sector credit growth. The central government is likely to meet its fiscal deficit target of 5.9 percent of GDP in FY24 and combined with consolidation in state

government deficits, the general government deficit is also projected to decline. As a result, the debt-to-GDP ratio is projected to stabilize. On the external front, the current account deficit is projected to narrow to 2.1 percent of GDP from an estimated 3 percent in FY23 on the back of robust service exports and a narrowing merchandise trade deficit.

According to a new market research report, the "**Technical Textile Market by Material (Natural Fiber, Synthetic Polymer, Metal, Mineral, Regenerated Fiber), by Process (Woven, Knitted, Non-woven), by Application (Mobiltech, Indutech, Protech, Buildtech, Packtech), and Region - Global Forecast to 2025**", The global technical textile market size is projected to grow from USD 164.6 billion in 2020 to USD 222.4 billion by 2025, at a CAGR of 6.2% from 2020 to 2025. The market has grown exponentially in the last few years, and this trend is projected to continue. The growing awareness about the superior functionality and application of technical textiles encourages the higher consumption of technical textiles and related products. Furthermore, growth in the automobile, construction, healthcare, packaging, and various other sectors has generated new opportunities for technical textiles.

The outbreak of COVID-19 has affected the demand as well as the manufacturing in supply regions. The COVID-19 crisis has affected the chemical industry supply chain to a major extent; thus, having a major impact on raw material procurement. The above factors have impacted the growth of the technical textile market. However, this pandemic resulted in a sudden increase in demand for medical apparels such as gown, mask, and others, which positively affected the demand for technical textiles.

**The non woven segment is expected to grow at the highest CAGR during the forecast period**

Based on process, the nonwoven segment is expected to be the fastest growing during the forecast period. Additionally, advancements in weaving technology such as 3D weaving are expected to drive the technical textile segment during the forecast period.

**The APAC region is projected to account for the largest share in the technical textile market during the forecast period.**

The APAC region region is projected to lead the technical textile market, in terms of both value and volume from 2020 to 2025. Higher domestic demand, along with the availability of low-cost labor, makes this region the most attractive market for technical textile manufacturers. Hence, the market players are focusing on this region to gain a larger share and increase their profitability. Factors such as improving global economy, expanding working population, and rising domestic demand for hygiene products are expected to boost the market for technical textile.

Plastic Industry According to Market research, the global plastic market is expected to grow at the compounded annual growth rate of 4% from the period of 2023 to 2030. The role of

plastics is extremely imperative in the modern industry. This is owing to its characteristics that have gained prominence across an array of sectors including the packaging industry, the automotive industry and the manufacturing industry. The overall market demand is expected to grow exponentially due to the rising demand for recycled plastics and bio plastics.

Regulations to decrease gross vehicle weight to improve fuel efficiency and eventually reduce carbon emissions are driving plastic consumption as a substitute for metals, including aluminium and steel, for manufacturing automotive components. The growth of the market can also be attributed to increased foreign investment in the domestic construction markets, as a result of easing FDI norms and requirements for better public and industrial infrastructure. The growth of the construction industry in emerging markets such as Brazil, China, India, and Mexico has been instrumental in fuelling the demand for plastics. Regulations over the use of plastic products will subsequently affect market growth rate. Government policies in response to the damage caused by single use plastic products will dampen the industry, but this is effectively combated by the rising demand for plastic from the packaging industry that is driving the demand for the commodity. The industry is segmented into several types, with the primary ones being polyethylene and polypropylene. The Indian plastic industry employs close to 4 million workers and comprises around 30,000 processing units across the country. The Government of India intends to take the plastic industry from a current level of ₹ 3 lakh crore (US\$ 37.8 billion) of economic activity to ₹ 10 lakh crore (US\$ 126 billion) in four-five years. The plastics market has consistently expanded in India owing to the vastly developing nature of the country. The industry provides a backdrop for understanding the policy framework that directs the future of the same, which is clearly geared towards enhancing the export of plastics. Even as ESG norms become common and lucrative, the contemporary structure of the economy is such that it will only induce the necessity of plastic into everyday use.

**Packaging Industry** The global packaging industry is expected to reach US\$ 1.33 trillion by 2028. Favourable Consumer trends coupled with great strides in the industry are the primary drivers of this growth. Following consistent growth in the last decade, the industry is expected to register a CAGR of 3.94% during 2023 to 2028. Similar to the plastic industry, the packaging market is witnessing several trends with crucial sections of the industry being the imperative forces of the growth. Paper packaging products are one such niche that is benefiting the most out of the increasing trend of online retail environmental regulations on non-biodegradable packaging solutions. Owing to government regulations, the consumption of recycled PET as flexible packaging is replacing traditional packaging methods. According to the Flexible Packaging Association, flexible packaging is mainly used for food, which accounts for more than 60% of the total market. Since it could incorporate new solutions for various packaging issues, the flexible packaging industry is experiencing robust growth. In addition, with the rising consumption of sweets and confectionery, several flexible plastic packaging providers are offering packaging solutions, specifically catering to this demand, and are further driving their sales and revenues. The India Packaging Market is expected to reach US\$ 204.81 Bn by 2025, registering a CAGR of 26.7% during the period of 2020-2025. Growth in this sector is primarily driven by factors like growing pharmaceutical, food processing, manufacturing industry, FMCG, healthcare sector and ancillary in the emerging economies like China, India, Brazil, Russia and



few other East European countries. Plastic Packaging is expected to have a significant market share, with PET and HDPE being the preferred materials for manufacturing bottles and jars. Furthermore, the shift towards sustainable plastic products has driven innovations in the plastic packaging market for the country. This trend is expected to be continued in the future during the forecasted period and revolutionize the industry as a whole.

### **MARKET OPPORTUNITIES:**

Rising demand for household products and growing consumer awareness have made home textiles a lucrative business segment. Secondly, fashion sensitivity towards household furnishing has increased as fast-fashion has hit not only the apparel market but the home market as well. Home fashion has become a separate segment as consumer consciousness towards high-quality living has increased.

To cater to the increased demand, the number of retailers entering the home textiles market is also increasing. Moreover, the advent of E-commerce in the segment is further making the market even more competitive, and with the increasing number of websites, the marketplace is also experiencing growth. Fuelling the market growth, research, and development in the home textiles segment has been immense.

### **OPPORTUNITIES AND THREATS:**

#### **Growing economy fuelling demand for technical textiles**

India is among the fastest growing economies in the world. This has led to higher disposable income and increased awareness among young Indian population on functional products. Further, India's economic growth has led to growth of various end user industries such as Automobiles, Healthcare, etc., resulting in increasing demand for technical textile products.

#### **Relatively untapped domestic market**

Functional products are still in nascent stage in India. However, with growing awareness among young population about the benefits of these products, market shall expand exponentially.

#### **Largely untapped domestic institutional buyers for technical textiles**

Institutional buyers such as railways, defence forces, hospitals, etc., are still heavily dependent on imports for high-value technologically intensive technical textile products. However, in the recent past, some Indian technical textile manufacturers have started working with such institutional buyers, but most of the market is yet to be tapped.

**Uncompetitive at global level**

India is growing at a brisk pace in the field of technical textiles, whereas China is ahead in terms of scale and technology. In terms of Innovation and R&D, China is way ahead in comparison to India. Key Indian players need to invest in innovation and develop high-value products to position India as global hub for technical textile.

**Ease of availability of high-technology technical textile products through imports**

Institutional buyers such as defence have traditionally opted for import route for procurement of several technical textile products owing to ease of availability of ready product conforming to the required standards. Import substitution would only be possible, if the requisite infrastructure and technology adoption is undertaken by key players in India with Government support

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

**OUTLOOK:**

Rising Government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investment through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). In Union Budget 2020-21, the Government has allocated Rs. 761.90 crore (US\$ 109.01 million) for Amended Technology Upgradation Fund Scheme (A-TUFS). The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)'. The Government announced a special package to boost export by US\$ 31 billion, create one crore job opportunities and attract investment worth Rs. 80,000 crore (US\$ 11.93 billion) during 2018-2020. Cumulative FDI (Foreign Direct Investment) inflow in the textiles sector stood at over US\$ 3.46 billion between April, 2000 to September, 2020.

Under the production linked incentive scheme, government has approved Rs. 10,683 crore (US\$ 1.44 billion) for manmade fibre and technical textiles manufacturing.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

**For and on behalf of Board of Directors  
Candour Techtex Limited**

**Sd/-  
Jayesh Ramniklal Mehta  
Managing Director  
DIN: 00193029**

**Date: August 14, 2023.  
Place: Mumbai**

## CORPORATE GOVERNANCE REPORT

### A brief Statement on Company's Philosophy on Code of Governance:

**Candour Tectex Limited (Formerly known as Chandni Textiles Engineering Industries Limited) (hereinafter "Company")** believes that good Corporate Governance is process in directing and controlling the affairs of the Company in an efficient manner and helps in achieving the goal of maximizing value of Company's stakeholders in a sustainable manner. Company's Governance framework is built on transparency, integrity, ethics, honesty and accountability as core values, and the management believes that practice of each of these creates the right corporate culture fulfilling the purpose of Corporate Governance.

Key tools devised for achieving the enshrined objectives are a well-defined code of conduct, robust internal and financial controls, systems, transparency, communications etc., which are properly implemented through continuous review process and mechanism setup for the said purpose. However, it is to be recognised that Corporate Governance is not just a destination but a consistent journey to consolidate and enhance sustainable value creation to the Company by adhering to the core values.

### **1. Board of Directors:**

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with One Woman Director, fifty percent of the Board of Directors comprises of Non-Executive Independent Directors. The Chairperson of the Board is an Executive Director balance of Executive Directors, Non-Executive Directors and Independent Directors, having professional expertise from different fields such as technical, business strategy and management, marketing, Corporate Governance represents the value framework, rules, practices by which a Company conducts its business activities. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world.

### **(i) Composition and category of Directors (eg: Promoter, Executive, Non-Executive Independent, Nominee Director - Institution represented and whether as Lender or as Equity Investor):**

Name of Director	Designation	Category / Remark	No. of Committee Membership/ Chairpersonship held in other Listed Companies
Mr. Jayesh Ramniklal Mehta	Chairperson & Managing Director	Executive & Non-Independent (Promoter)	<b>Chandni Machines Limited</b> Member - Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

Mrs. Amita Jayesh Mehta	Non-Executive Director	Promoter	NIL
Mr. Rameshchand Garg	Non-Executive Independent Director.	NIL	<b>Chandni Machines Limited</b> Chairperson - Stakeholder Relationship Committee.
			Member- Nomination and Remuneration Committee and Stakeholder Relationship Committee.
Mr. Bharat Sugnomal Bhatia	Non-Executive Independent Director.		<b>Chandni Machines Limited</b> Chairperson - Audit Committee and Nomination and Remuneration Committee.
			Member - Stakeholder Relationship Committee.
Mrs. Mansi Harsh Dave	Non-Executive Independent Director.	NIL	<b>Chothani Foods Limited</b> Member- Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.
			<b>Getalong Enterprise Limited</b> Chairperson - Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.
Ms. Sharmila Hiralal Amin	Executive Director	NIL	NIL

**(ii) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting:**

Directors	Board Meeting held during the tenure of Director	Board Meeting attended during the year	Whether attended last Annual General Meeting held on September 29, 2022	Remarks
Mr. Jayesh Ramniklal Mehta	5	5	Yes	-
Mrs. Amita Jayesh Mehta	5	5	Yes	-
Mr. Bharat Sugnomal Bhatia	5	5	No	-
Mr. Rameshchand Garg	5	5	No	-
Ms. Sharmila Hiralal Amin	5	5	No	-
Mrs. Mansi Harsh Dave	5	5	No	-

**(iii) Number of other Board of Directors or Committees in which a Director is a Member or Chairperson as on March 31, 2023:**

S. No.	Name of the Director	Directorship in other listed Company#	Membership of Committees of other Listed Entity ^	Chairpersonship of Committees of other Listed Entity ^	Name of the Listed Entity holding Directorship / Designation
1.	Mr. Jayesh Ramniklal Mehta	1	Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee	NIL	Name of Company: Chandni Machines Limited Designation: Chairperson & Managing Director
2.	Mrs. Amita Jayesh Mehta	1	NIL	NIL	Name of Company: Chandni Machines Limited Designation: Non-Executive Director
3.	Mr. Bharat Sugnomal Bhatia	1	Stakeholder Relationship Committee.	Audit Committee and Nomination and Remuneration Committee.	Name of Company: Chandni Machines Limited Designation: Director (Non-Executive Independent Director)
4.	Mr. Rameshchand Garg	1	Audit Committee and Nomination and Remuneration Committee.	Stakeholder Relationship Committee.	Name of Company: Chandni Machines Limited Designation: Director (Non-Executive Independent Director)
5.	Ms. Sharmila Hiralal Amin	0	NIL	NIL	NIL
6.	Mrs. Mansi Harsh Dave	2	Audit Committee, Nomination and	Audit Committee, Nomination and Remuneration Committee,	Name of Company: • Chothani Foods Limited

			Remuneration Committee, Stakeholder Relationship Committee	Stakeholder Relationship Committee	<ul style="list-style-type: none"> <li>Getalong Enterprise Limited</li> </ul>
					Designation: Director (Non-Executive Independent Director)

**(iv) Senior Management:**

There have been no changes in the Senior Management for the financial year 2022-2023.

**NOTES:**

#Number of Directorships held excludes Directorship in Private Limited Companies, Foreign Companies, Companies under Section - 8 of the Companies Act, 2013 and alternate Directorships & also in **Candour Tectex Limited (Formerly known as Chandni Textiles Engineering Industries Limited.)**

^Covers Memberships/ Chairpersonship of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of Listed and Unlisted Public Limited Companies excluding committee Memberships / Chairpersonships of Candour Tectex Limited (Formerly known as Chandni Textiles Engineering Industries Limited).

**(v) Number of Meetings of the Board of Directors held and dates on which held:**

During the financial year 2022-2023, **5 Board Meetings** were held respectively on:

S. No.	Name of Directors	Attendance in the Board Meeting Held on				
		30/05/2022	13/08/2022	09/11/2022	13/02/2023	31/03/2023
1.	Mr. Jayesh R. Mehta	✓	✓	✓	✓	✓
2.	Mrs. Amita Jayesh Mehta	✓	✓	✓	✓	✓
3.	Mr. Bharat Sugnomal Bhatia	✓	✓	✓	✓	✓
4.	Mr. Rameshchand Garg	✓	✓	✓	✓	✓
5.	Ms. Sharmila Hiralal Amin	✓	✓	✓	✓	✓
6.	Mrs. Mansi Harsh Dave	✓	✓	✓	✓	✓

**(vi) Disclosure of Relationships between Directors Inter-Se:**

No other Directors are related to each other except Mr. Jayesh R Mehta and Mrs. Amita Jayesh Mehta who is related to each other as husband and wife.

**(vii) Number of Shares and Convertible instruments held by Non-Executive Directors:**

Name of Director	Number of Equity Shares as on March 31, 2023
Mrs. Amita Jayesh Mehta	10,52,021 Equity Shares (6.21%)

**(viii) Web link where details of familiarization programmes imparted to Independent Directors is disclosed:**

As per Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company need to be imparted with familiarization programs. The details are available on the website of the Company i.e. [www.cteil.com](http://www.cteil.com).

**Separate Meeting of the Independent Directors:**

The Company convened Independent Director's Separate Meeting in terms of Schedule - IV to the Companies Act, 2013 on **February 13, 2023**.

**Company's Policy on Prohibition of Insider Trading:**

The Company has formulated a Code of Conduct to Regulate, Monitor, and Report Trading by Insiders to determine the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company.

The full text of the Code is available on the website of the Company under the heading "**Policies**" in the investor tab which can be accessed at [www.cteil.com](http://www.cteil.com)

**(ix) The following is the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:**

- (a)** Knowledge - understand the Company's business, polices, culture and knowledge of the industry in which the Company operates.
- (b)** Strategic thinking and decision making.
- (c)** Financial skills.
- (d)** Technical/ Professional skills and specialized knowledge to business.

**(x) The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of the Management.**



**1. AUDIT COMMITTEE:****(a) Brief Description of Terms of Reference:**

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part C of Schedule II)

**The Role of the Audit Committee includes the following:**

- (i) Oversight of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
- (ii) Recommendation for Appointment, Remuneration and Terms of Appointment of Auditors of the Company.
- (iii) Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for Approval.
- (iv) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval.
- (v) Reviewing and monitoring the Auditor's Independence and Performance, and effectiveness of Audit Process.
- (vi) Reviewing the Management Discussion & Analysis of financial condition and result of operations.
- (vii) Reviewing, with the Management, performance of Statutory and Internal Auditors, and adequacy of the Internal Control System.
- (viii) Reviewing the Internal Controls, Risk Management Policies and Practices and Related Party Transactions.

**(b) Composition, Name of Members and Chairperson:**

The Audit Committee comprises of **4 (Four) Directors out of which 3 (Three) Directors are Non-Executive Independent Directors and 1 (One) Director is Executive Director.**

All Members are financially literate and possess sound knowledge of Accounts, Finance and Audit Matters.

The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairperson of the Committee.

**The Composition of Audit Committee as on March 31, 2023, is given below:**

S. No.	Name	Category	Designation
1.	Mr. Rameshchand Garg	Non - Executive Independent Director	Chairperson
2.	Mr. Bharat Sugnomal Bhatia	Non - Executive Independent Director	Member
3.	Mrs. Mansi Harsh Dave	Non - Executive Independent Director	Member
4.	Mr. Jayesh Ramniklal Mehta	Executive Director	Member

**The Company Secretary of the Company acts as the Secretary to the Audit Committee.**

**(c) Meeting and Attendance during the year:**

S. No.	Name	Attendance in Audit Committee Meetings Held on			
		30/05/2022	13/08/2022	09/11/2022	13/02/2023
1.	Mr. Rameshchand Garg	✓	✓	✓	✓
2.	Mr. Bharat Sugnomal Bhatia	✓	✓	✓	✓
3.	Mrs. Mansi Harsh Dave	✓	✓	✓	✓
4.	Mr. Jayesh Ramniklal Mehta	✓	✓	✓	✓

**2. NOMINATION AND REMUNERATION COMMITTEE:****(a) Brief Description and Terms of Reference:**

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director as well as the Nomination and Appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Specified in Part D of Schedule II)

**(b) Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee comprises of **Four (4) out of which Three (3) Non-Executive Independent Directors and One (1) Executive Director.**

**The Composition of Nomination and Remuneration Committee as on March 31, 2023, is given below:**

S. No.	Name	Category	Designation
1.	Mr. Bharat Sugnomal Bhatia	Non Executive Independent Director	Chairperson
2.	Mr. Rameshchand Garg	Non Executive Independent Director	Member
3.	Mrs. Mansi Harsh Dave	Non-Executive Independent Director	Member
4.	Mr. Jayesh Ramniklal Mehta	Executive Director	Member

**(c) Meetings and Attendance during the year:**

S. No.	Name	Attendance in Nomination and Remuneration Committee Meetings Held on
		13/08/2022
1.	Mr. Bharat Sugnomal Bhatia	✓
2.	Mr. Rameshchand Garg	✓
3.	Mrs. Mansi Harsh Dave	✓
4.	Mr. Jayesh Ramniklal Mehta	✓

**(d) Performance Evaluation:**

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee had carried out the performance evaluation of the Individual Directors on the basis of the criteria/ performance evaluation policy, approved by the Board of Directors.

**REMUNERATION OF DIRECTORS:**

- (a)** All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Listed Entity shall be disclosed in the Annual Report.

There is no pecuniary relationship or transactions, except sitting fees paid to Non-Executive Independent Directors.

**(b) Criteria of making payments to Non-Executive Directors:**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.cteil.com](http://www.cteil.com) under the heading “Policies” Section in the Investor Tab.

The Non-Executive Independent Director’s are entitled to Sitting Fees for attending meetings of the Board, and its Committees.

**(c) Disclosures with respect to Remuneration:**

Details of Remuneration / Sitting Fees paid to Directors during the Financial Year 2022-2023 are given below:

Name of the Director	Relationship with other directors	Business relationship with the Company	Salary & Bonus (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	Stock Option
Mr. Jayesh R Mehta	Husband of Mrs. Amita J Mehta	Promoter & Managing Director	12,00,000	-	12,00,000	Nil
Mrs. Amita J Mehta	Wife of Mr. Jayesh R Mehta	Promoter Group	-	20,000	20,000	Nil
Mr. Bharat Sugnomal Bhatia	None	None	-	40,000	40,000	Nil
Mr. Rameshchand Garg	None	None	-	40,000	40,000	Nil

Ms. Sharmila Hiralal Amin	None	None	-	20,000	20,000	Nil
Ms. Manasi Harsh Dave	None	None	-	40,000	40,000	Nil
Mr. Shailesh Sankav	None	Chief Financial Officer	7,93,000	-	7,93,000	Nil
Mrs. Kirti Pathak	None	Company Secretary	1,80,000	-	1,80,000	Nil

### 3. **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of Schedule II). The status of Shareholder correspondences, queries, grievances etc. are endeavoured to be addressed instantly by the secretarial department and status thereof is also placed before the Stakeholders Relationship Committee.

#### **(a) Composition, Name of Members and Chairperson:**

The Stakeholder Relationship Committee comprises of **Four (4), out of which Three (3) Non-Executive Independent Directors and One (1) Executive Director.**

The Composition of Stakeholder Relationship Committee as on March 31, 2023 is given below:

S. No.	Name	Category	Designation
1.	Mr. Bharat Sugnomal Bhatia	Non-Executive Independent Director	Chairperson
2.	Mr. Rameshchand Garg	Non-Executive Independent Director	Member
3.	Mrs. Mansi Harsh Dave	Non-Executive Independent Director	Member
4.	Mr. Jayesh Ramniklal Mehta	Executive Director	Member

#### **(b) Name and Designation of Compliance Officer:**

**Ms. Kirti Pathak, Company Secretary** is the Compliance Officer of the Company.

#### **(c) Number of Shareholders' Complaints received so far:**

**No Complaints** were received during the year 2022-2023. All the Complaints were solved to the satisfaction of Shareholders. No Complaints were pending as at March 31, 2023.

**(d) Meetings and attendance during the year:**

S. No.	Name	Attendance in Stakeholder Relationship Committee Meetings Held on			
		30/05/2022	13/08/2022	09/11/2022	13/02/2023
1.	Mr. Bharat Sugnomal Bhatia	✓	✓	✓	✓
2.	Mr. Rameshchand Garg	✓	✓	✓	✓
3.	Mr. Jayesh Ramniklal Mehta	✓	✓	✓	✓
4.	Mrs. Mansi Harsh Dave	✓	✓	✓	✓

**Prohibition of Insider Trading:**

With a view to regulate trading in securities by the Directors and Designated Employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (**"SEBI PITR"**). The Company has also approved and adopted a Code to Monitor, Regulate and Report trading by its Designated Persons and Immediate Relatives of Designated Persons pursuant to the amended Regulation - 9 of SEBI PITR and adopting the minimum standards set out in relevant Schedule to **SEBI PITR**.

The Company has maintained Structured Digital Database (**"SDD"**) under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 for capturing and maintain the trail of sharing UPSI of the company with the Designated Persons.

**4. NOTE ON DIRECTOR'S APPOINTMENT/ RE-APPOINTMENT:**

**[PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015]**

S. No.	Particulars	Details	
1.	Name of the Director	<b>Jayesh Ramniklal Mehta</b>	<b>Amita Jayesh Mehta</b>
2.	Age	<b>61</b>	<b>59</b>
3.	DIN	00193029	00193075
4.	Date of Birth	15/08/1962	01/11/1963
5.	Date if first appointment on the Board	17/06/1986	17/06/1986
6.	Qualifications	Textile Engineer	Commerce Graduate
7.	Expertise	Mr. J R Mehta has over 26 years experience in the textile industry.	Mrs. Amita Jayesh Mehta deals with the sourcing of Materials.
8.	Other Directorships	• Chandni Machines Limited	• Chandni Machines Limited

		<ul style="list-style-type: none"> <li>• Absolute Plastics Private Limited</li> <li>• JR Auto Components Private Limited</li> <li>• KJM Engineering Tools Private Limited</li> <li>• Humans Of Bombay Stories Private Limited</li> <li>• Jumping Genius School Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• JR Auto Components Private Limited</li> <li>• KJM Engineering Tools Private Limited</li> </ul>
9.	Number of meetings of the Board attended during the year	5	5
10.	Listed Companies (other than Candour Tectex Limited) in which he/she holds Directorship and Committee Membership.* *includes only Audit Committee & Stakeholders' Relationship Committee	Chandni Machines Limited	Chandni Machines Limited
11.	Shareholding in Candour Tectex Limited	43,92,091 Equity Shares of Rs. 10/- each.	10,52,021 Equity Shares of Rs. 10/- each.
12.	Relationship between Directors inter-se	Ms. Amita Jayesh Mehta is relative of Mr. Jayesh Ramniklal Mehta.	Mr. Jayesh Ramniklal Mehta is relative Ms. Amita Jayesh Mehta.

##### 5. GENERAL BODY MEETINGS:

The date and time of Annual General Meetings held during last three years, and the Special Resolution(s) passed thereat, are as follows:

Year	Date	Location and Time	Special Resolution Passed
2021-2022	29/09/2022	Registered Office through Video Conferencing	1. Appointment of Ms. Mansi Harsh Dave (DIN: 07663806) as the Independent Director (Non - Executive Independent Director) of the company

		and Other Audio Visual Means at	2. Approval for sale/transfer of plastic Division of the Company. 3. To alter the Object Clause of Memorandum of Association of the Company.
2020-2021	20/09/2021	Registered Office through Video Conferencing and Other Audio Visual Means at	1. To approve the Change of Name and consequent alteration in the Memorandum and Articles of Association of the Company.
2019-2020	29/09/2020	Registered Office through Video Conferencing and Other Audio Visual Means at	1. Omnibus Approval not exceeding Rs. 50 Crores through following procedures i.e. Section 41,42,62 and 71 and any other applicable provisions of Companies Act, 2013. 2. Regularization of Ms. Sharmila Hiralal Amin as Additional Director by appointing her as Director of the Company.

**No Special Resolutions were passed through Postal Ballot in the Financial Year 2022-2023.**

**6. MEANS OF COMMUNICATION:**

**(a) Quarterly Results:**

The Quarterly Financial Results are announced within a stipulated time and are also published in English and Marathi Newspaper.

**(b) Newspapers wherein results normally published:**

The Company publishes its results in **one English daily Newspaper (The Free Press Journal) and one Marathi Newspaper (Navshakti)** within 48 hours of approval thereof.

**(c) Website, where displayed:**

As the Financial Results of the Company are published in the Newspapers and also displayed on the Company's website [www.cteil.com](http://www.cteil.com), a separate half - yearly declaration of financial performance is not sent to each household of Shareholders.

**7. GENERAL SHAREHOLDER INFORMATION:**

S. No.	Particulars	Details			
(a)	Annual General Meeting Day, Date, Time and Venue.	<b>37<sup>th</sup> AGM - Saturday, September 30, 2023, Time 03:30 P.M.; through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")</b>			
(b)	Financial Year	April 01, 2022 to March 31, 2023.			
(c)	Dividend Payment Date	Dividend declared, if any, would be paid within 30 days from the date of declaration of dividend at the Annual General Meeting.			
(d)	Date of Book Closure	<b>Sunday, September 24, 2023 to Saturday September 30, 2023 (both days inclusive)</b>			
(e)	Name and Address of each stock exchange(s) at which the listed entity's securities are listed and confirmation about payment of annual listing fee to each of such Stock Exchange(s)	<p>The Shares of the Company are listed on:</p> <ul style="list-style-type: none"> <li><b>The Bombay Stock Exchange Limited (BSE)</b> Address: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001.</li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li><b>The Metropolitan Stock Exchange of India Limited (MSEI)</b> Address: Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400070.</li> </ul>			
(f)	Scrip Code and Scrip ID	BSE- Scrip Code - 522292; Scrip ID - CANDOUR MSEI - Scrip Id - CANDOUR			
(g)	Financial Calendar	For Quarter ending June, 2023.	<b>August 14, 2023.</b>		
		For Quarter ending September, 2023.	<b>November 12, 2023.</b>		
		For Quarter ending December, 2023.	<b>February 14, 2024.</b>		
		For Quarter ending March, 2024.	<b>May 30, 2024.</b>		
	Annual General Meeting for the year ended March 31, 2023.	<b>Saturday, September 30, 2023.</b>			
(h)	Corporate Identity Number ("CIN")	L25209MH21986PLC040119			
(i)	Market Price Information	<b>Month</b>	<b>Share Price</b>		<b>Volume of shares traded</b>
			<b>BSE [INR]</b>		
			<b>HIGH</b>	<b>LOW</b>	
		April, 2022.	55.80	41.00	2,427
		May, 2022.	51.80	39.00	1,913
		June, 2022.	46.60	34.25	1,429
		July, 2022.	47.50	41.00	1,248
		August, 2022.	47.25	38.25	862



		September, 2022.	43.00	34.20	1,079
		October, 2022.	39.95	33.50	846
		November, 2022.	42.00	29.25	2,507
		December, 2022	53.60	40.10	4,845
		January, 2023.	52.00	39.15	1,571
		February, 2023.	44.95	36.50	536
		March, 2023.	48.59	35.15	1,651
(j)	In case securities are suspended from trading, the Director's Report shall explain the reason there of.	<b>Not Applicable</b>			
(k)	Registrar and Share Transfer Agents ("RTA")	<p><b>M/S. PURVA SHAREGISTRY (INDIA) PVT. LTD</b></p> <p><b>Address:</b> Shiv Shakti Industrial Estate, Unit No. 9, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Mumbai – 400011</p> <p><b>Tel:</b> 022- 23016761/23018261 <b>E-mail:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a></p>			
(l)	Share Transfer System	Trading in Equity Shares of the Company through recognized Stock Exchange can be done only in Dematerialized Form. All the request received from Shareholders for transfer, transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 or in any Other Applicable Law.			
(m)	Dematerialization of Shares and Liquidity	As per SEBI Circular SEBI/ HO/ MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 members are advised to consider dematerialized of their shareholding and submit the copy of PAN and bank account details to RTA.			
(n)	Outstanding Global Depository Receipts ("GDR") or American Depository Receipts ("ADR") or Warrants or any Convertible Instruments, conversion date and likely impact on Equity.	There are no GDRs /ADRs/ Warrants outstanding as on March 31, 2023.			
(o)	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities.	The Company has established controls in Forex Management to hedge few Currency Risk Liabilities. Forex Related Matters are reviewed periodically for taking necessary action within overall frame of Forex Policy. By hedging, mitigating the impact of short term movements in currency on the businesses.			

<b>(p)</b>	Plant Locations	<b>(a)</b> Survey No. 465/466, Ground Floor, Near Parle Factory, At Post, Gonedumala, Taluka, Igatpuri, Nashik - 422403, Dist - Maharashtra.
		<b>(b)</b> Plot No. 4612/A, G.I. D.C Estate, Ankleshwar - 393002
		<b>(c)</b> Plot No. C-6, Malegaon (Ajang-Rawalgaon) Industrial Area, Tal. Malegaon, Dist. Nashik-423206

**(q) Shareholding as on March 31, 2023:****A. Distribution of Shareholding as on March 31, 2023:**

Slab of Shareholdings No. of Shares	No. of Shareholders	% of Total	Amount	%
Up to 5000	3223	77.37	44,51,010.00	2.63
5,001 - 10,000	334	8.02	28,93,220.00	1.71
10,001 - 20,000	196	4.70	30,96,300.00	1.83
20,001 - 30,000	86	2.06	22,44,930.00	1.32
30,001 - 40,000	43	1.03	15,56,490.00	0.92
40,001 - 50,000	54	1.30	25,19,780.00	1.49
50,001 - 1,00,000	83	1.99	65,05,210.00	3.84
1,00,001 and Above	147	3.53	14,61,05,690.00	86.26
<b>TOTAL</b>	<b>4,166</b>	<b>100.00</b>	<b>16,93,72,630.00</b>	<b>100.00</b>

**B. Shareholding Pattern as on March 31, 2023:**

S. No.	Category of Shareholder	No. of Shareholders	Total number of Shares	%
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>			
	<b>Indian</b>			
<b>1.</b>	Individuals/ Hindu Undivided Family	4	55,73,612	32.91
<b>2.</b>	Bodies Corporate	1	4,22,212	2.49
	<b>Sub-Total (A) (1)</b>	<b>5</b>	<b>59,95,824</b>	<b>35.40</b>
<b>B.</b>	<b>Public Shareholding</b>			
<b>1.</b>	<b>Institutions</b>			
<b>(a)</b>	Financial Institutions/ Banks (Domestic)	2	500	0
<b>(b)</b>	Financial Institutions (Foreign)	1	85,245	0.50
	<b>Sub-Total (B) (1)</b>	<b>3</b>	<b>85,745</b>	<b>0.50</b>
<b>2.</b>	<b>Non-Institutions</b>			
<b>(a)</b>	Bodies Corporate	37	14,83,160	8.76
<b>(b)</b>	Resident Individuals	3,976	86,46,686	51.05
<b>(c)</b>	Any Other (NRI Repat & Non - Repat)	17	28,444	0.17
<b>(d)</b>	Any Other (Hindu Undivided	108	4,74,307	2.80

	Family)			
(e)	Any Other (Clearing Members)	12	49,799	0.29
(f)	Any Other (LLP & Private Sector Banks)	8	1,73,298	1.02
	<b>Sub- Total (B) (2)</b>	<b>4,158</b>	<b>1,08,55,694</b>	<b>64.09</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>4,161</b>	<b>1,09,41,439</b>	<b>64.60</b>
	<b>GRAND TOTAL (A) + (B)</b>	<b>4,166</b>	<b>1,69,37,263</b>	<b>100.00</b>

**(q) OTHER DISCLOSURES:****1. Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large.**

During the financial year 2022-2023, there was no materially significant Related Party Transaction that may have potential conflict with the interests of the Company at large. For reference, the details of Related Party Transaction in accordance with IND AS - 24 are given in **Note No. 49** of Notes to Accounts of the Annual Report.

**2. Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by Stock Exchange (s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years.**

During the period under review, the Company had paid an amount of Rs. 14,160/- each as a fine to **The BSE Limited ("BSE")** and **The Metropolitan Stock Exchange of India Limited ("MSEI")** for the delayed compliances under Regulation - 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has adopted a Whistle Blower Policy to file a grievance if he/she notices any irregularity. No person has been denied access to the Audit Committee for any grievance.

**4. Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements.**

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable and will ensure to comply with non-mandatory requirements in coming years.

**5. Web link where Policy for determining 'Material' Subsidiaries is disclosed.**

The policy for determining '**Material**' Subsidiary is available on the website of the Company under the heading "**Policies**" in the Investor Tab which can be accessed from [www.cteil.com](http://www.cteil.com).

**6. Disclosure of certain types of agreements binding listed entities.**

There are **no agreements** entered by the company that needs disclosure under clause 5A of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**7. Web link where Policy on dealing with Related Party Transactions.**

The policy on dealing with Related Party Transaction is available on the website of the Company under the heading “Policies” in the investor tab which can be accessed from [www.cteil.com](http://www.cteil.com).

**8. A Certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.**

Certificate received from Company Secretary in Practice is attached as “Annexure - VI”.

**9. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the Network Form / Network Entity of which the Statutory Auditor is a part.**

As required under Regulation 34 of SEBI LODR, the details of fees paid to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part is presented below:

Particulars	March 31, 2023	March 31, 2022
Audit Fees	2,55,500	2,55,500
Others	50,000	92,500
<b>TOTAL</b>	<b>3,05,500</b>	<b>3,48,000</b>

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

The details of Complaints filed, disposed & pending are given below:

- (a) Number of Complaints filed during the year - **Nil.**
- (b) Number of Complaints disposed of during the year - **Not Applicable.**
- (c) Number of Complaints pending as at end of the financial year - **Not Applicable.**

**(r) DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:**

- a) **The Board:** All the expenses of Chairperson along with reimbursement expenses incurred during his performance of duty in maintained in premises of the Company.
- b) **Shareholder Rights:** Quarterly/Yearly/ Half-Yearly Financial Statements shall be published in leading newspapers and uploaded on Company’s website i.e. [www.cteil.com](http://www.cteil.com).

c) **Modified opinion(s) in Audit Report:** The Company already has a regime of Unmodified Financial Statements. Auditors have raised no qualification on the Financial Statements.

d) **Reporting of Internal Auditor:** The Company has appointed Mrs. Reema Shah as the Internal Auditor for conducting the Internal Audit.

**(s) DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:**

The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 to the extent applicable and the documents are uploaded on the website of the Company.

**(t) DECLARATION SIGNED BY THE CHIEF FINANCIAL OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT:**

The Board of Directors have adopted the Code of Conduct for the Directors as also for the Members of Senior Management. The said Code has been communicated to all the Directors and Members of the Senior Management and they have affirmed their compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Chief Financial Officer of the Company forms part of this Report as "*Annexure - VII*".

**(u) ANNUAL SECRETARIAL COMPLIANCE REPORT:**

As required under Regulation - 24A of the Listing Regulations, the Annual Secretarial Compliance Report dated May 30, 2023 issued by M/s. N L Bhatia & Associates, Practicing Company Secretaries, is annexed hereto in "*Annexure - VIII*".

**(v) NOMINATION FACILITY:**

Provision of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder extends Nomination Facility to individuals holding shares in the Physical Form. To help the legal heirs/ successors get the shares transmitted in their favor, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

**(w) UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/ PAN/ EMAIL ID:**

To ensure all communications/ monetary benefits received promptly, all Shareholders holding shares in physical form are requested to notify to the Company, change in their address/ bank details/PAN/ Email Id instantly by written request under the signatures of sole/ first joint holder. Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details/ address/ Email Id directly with their respective DPs.

For any complaints relating to no-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Registrar and Share Transfer Agent (RTA) directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no. /Client ID No., number of shares held etc.

**M/s. PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**

{Unit: Candour Tectex Limited (Formerly known as Chandni Textiles Engineering Industries Limited)}

**Address:** Shiv Shakti Industrial Estate, Unit No.9, J.R. Boricha Marg,  
Opposite Kasturba Hospital Lane, Mumbai – 400011

**Telephone No.:** 022-23016761 / 022-23012518

**E-mail Id:** [support@purvashare.com](mailto:support@purvashare.com)

For any query on any point in Annual Report, non-receipt of Annual Report, etc the complaint should be forwarded to the kind attention of **Mr. Shailesh Sankav, Chief Financial Officer** of the Company at the following address:

**Candour Tectex Limited (Formerly known as Chandni Textiles Engineering Industries Ltd)**

**Address:** 108/109, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai - 400 030

**Telephone No.:** 022-24950328

Members can also register their complaints at [compliance@cteil.com](mailto:compliance@cteil.com) an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of Regulation 6(2) (d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(x) QUOTE FOLIO NO. /DP ID NO.:**

Shareholders/ Beneficial Owners are requested to quote their Folio Nos. /DP ID Nos., as the case may be in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, and Contact number for prompt reply to their correspondence.

**For and on behalf of Board of Directors  
Candour Tectex Limited**

**Sd/-  
Jayesh Ramniklal Mehta  
Managing Director  
DIN: 00193029**

**Date: August 14, 2023.**

**Place: Mumbai**

**Annexure - VI****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 Board of Directors,  
Candour Techtex Limited  
108/109, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli,  
Mumbai, Maharashtra, India - 400030**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CANDOUR TECHTEX LIMITED** having CIN **L25209MH1986PLC040119** and having registered office at **108/109, T.V. Industrial Estate, 52 S.K.Ahira Marg, Worli, Mumbai, Maharashtra, India - 400030 (hereinafter referred to as “the Company”)**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule - V Para - C Sub - clause - 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (“DIN”) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers. We hereby certify that none of the Directors on the Board of the Company as stated below as of **March 31, 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.

<b>S. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
<b>1.</b>	MR. JAYESH RAMNIKLAL MEHTA	00193029	17/06/1986
<b>2.</b>	MRS. AMITA JAYESH MEHTA	00193075	17/06/1986
<b>3.</b>	MR.BHARAT SUGNOMAL BHATIA	00195275	28/12/2005
<b>4.</b>	MR. RAMESHCHAND GARG	03346742	12/11/2010
<b>5.</b>	MS.SHARMILA HIRALAL AMIN	06770401	14/08/2020
<b>6.</b>	MRS. MANSI HARSH DAVE	07663806	19/01/2022

Ensuring the eligibility of Directors 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 M/S. N L Bhatia & Associates  
Practicing Company Secretaries  
UIN: P1996MH055800  
P/R NO.:700/2020.**

**Place: Mumbai  
Date: August 16, 2023**

**N L Bhatia  
Partner  
FCS: 1176  
CP NO.: 422  
UDIN: F001176E000810655**



**ANNEXURE - VII**

**DECLARATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO SCHEDULE – V (D) READ WITH REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To,  
The Directors,  
Candour Techtex Limited.**

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors and Senior Management.

I, confirm that the Company has in respect of the financial year ended March 31, 2023, received from the Senior Management Team of the Company and the Members of the Board a Declaration of Compliance with the Code of Conduct as applicable to them.

**Sd/-  
Shailesh Sankav  
Chief Financial Officer**

**Date: August 14, 2023  
Place: Mumbai**

**CERTIFICATE BY THE CHIEF FINANCIAL OFFICER PURSUANT TO PART B SCHEDULE II READWITH REGULATION 7(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors,  
Candour Techtex Limited,  
Mumbai

Dear Members of the Board,

(1) We have reviewed the financial statements and the Cash Flow Statement of the Company for the year ended March 31, 2023 and to the best of our knowledge and belief.

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(b) 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.

(2) 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.

(3) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting. We have not come across any reportable deficiencies in the design or operation of such Internal Controls.

Sd/-  
Shailesh Sankav  
Chief Financial Officer

Date: August 14, 2023

Place: Mumbai

**ANNEXURE - VIII**

**To,  
The Board of Directors,  
Candour Techtex Limited  
108/109, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli,  
Mumbai, Maharashtra, India – 400030**

Dear Sir/ Madam,

**Sub: Annual Secretarial Compliance Report for the financial year 2022-23**

We have been engaged by Candour Techtex Limited (Formerly known as Chandni Textiles Engineering Industries Limited) (hereinafter referred to as the “Company”) bearing CIN: L25209MH1986PLC040119 whose equity shares are listed on the Bombay Stock Exchange Limited (“BSE”) and the Metropolitan Stock Exchange of India Limited (“MSEI”) to conduct an audit in terms of Regulation - 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 along with BSE & NSE vide Notice no. 20230316-14 and 20230315-41 and Circular Reference No. NSE/CML/ 2023/21 and NSE/CML/2023/30 dated March 16, 2023 & April 10, 2023, respectively and to issue Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with the provisions of all applicable regulations, circulars and guidelines issued by the Securities and Exchange Board of India (“SEBI”) from time to time, and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/guidelines issued there under from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report and auditing standards issued by the Institute of Company Secretaries of India (“ICSI”) and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose. The Annual Secretarial Compliance Report is enclosed as Annexure.

**Date: May 30, 2023.  
Place: Mumbai**

**For N L Bhatia & Associates  
Company Secretaries  
UIN: P1996MH055800  
P/R No.: 700/2020**

**Bhaskar Upadhyay  
Partner  
FCS: 8663  
CP. No.:9625  
UDIN: F008663E000421427**

**SECRETARIAL COMPLIANCE REPORT OF CANDOUR TECHTEX LIMITED**

**For the year ended March 31, 2023**

We, **M/s. N L Bhatia & Associates, Practising Company Secretaries** have examined:

- a) all the documents and records made available to us and explanation provided by Candour Tectex Limited (**"the Company"**).
- b) the filings/ submissions made by the Company to the Stock Exchanges.
- c) website (<https://cteil.com/>) of the Company.
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification for the year ended March 31, 2023 in respect of compliance with the provisions of:
  - i. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**), Rules made thereunder.
  - ii. The Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) and the Regulations, Circulars and Guidelines issued thereunder, to the extent applicable to the Company:
    - Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
    - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
    - Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
    - Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable on the Company.

and based on the above examination, We hereby Report that, during the review period :

- a) The Company has complied with the provisions of the above Regulations and Circulars/ Guidelines issued thereunder, except in respect of matters specified below:-

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation /Circular No.	Deviations	Action taken by	Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.)	Details of violation	Fine Amount	Observations/ remarks of the Practising Company Secretary, if any.	Management Response	Remarks
1.	SEBI (LODR) Regulations, 2015	Reg. 34	Non-Compliance	BSE Limited MSEI	Show Cause Notice	Non-Submission of the Annual Report within the period prescribed under this regulation for the financial year ending on March 31, 2022.	14,160 /- each	The Company has duly replied to such SCN and has paid the fine.	Fine has been paid with BSE Limited & MSEI.	-

b) The Company has taken the following actions to comply with the observations made in Previous Reports:

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action taken by	Type of Action (Advisory/Clarification/ Fine/Show Cause Notice/ Warning, etc.)	Details of violation	Fine Amount	Observations/ remarks of the Practising Company Secretary, if any.	Management Response	Remarks
NOT APPLICABLE										

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019

S. No.	Particulars	Compliance status (Yes/No/ NA)	Observation / Remarks by PCS
1.	<b>Compliances with the following conditions while appointing/ re-appointing auditor</b>		
	i. if the auditor has resigned within 45 days from the end of a quarter of a	N.A.	

	<p>financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p><b>ii.</b> If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p><b>iii.</b> If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>		
<b>2.</b>	<b>Other Conditions relating to resignation of Statutory Auditor</b>		
	<p><b>i.</b> Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p><b>a.</b> In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairperson of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p><b>b.</b> In case the auditor proposes to resign, all concerns with respect to</p>	<b>N.A.</b>	

	<p>the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>		
<b>3.</b>	<b>Obligations of the listed entity and its material subsidiary</b>		
	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	N.A.	

c) We hereby report that, during the review period the compliance status of the listed entity is appended as below

S. No.	Particulars	Compliance status (Yes/ No/ NA)	Observation / Remarks by PCS
1.	<p><b><u>Secretarial Standard:</u></b> The compliances of listed entities are in accordance with the Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p>	Yes	
2.	<p><b><u>Adoption and timely update of the Policies:</u></b></p> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entities.</li> <li>• All the policies are in <b>conformity</b> with SEBI Regulations and has been <b>reviewed</b> &amp; timely <b>updated</b> as per the Regulations / Circulars / Guidelines issued by SEBI</li> </ul>	Yes	
3.	<p><b><u>Maintenance and disclosures on Website:</u></b></p> <p>(a) The Listed entity is maintaining a functional website.</p> <p>(b) Timely dissemination of the documents/ information under a separate section on the website.</p> <p>(c) Web-links provided in annual Corporate Governance Reports under Regulation - 27(2) are accurate and specific which redirects to the relevant document(s) / section of the website.</p>	Yes	
4.	<p><b><u>Disqualification of Director:</u></b> None of the Director of the Company are disqualified under Section - 164 of Companies Act, 2013.</p>	Yes	
5.	<p><b><u>To examine details related to Subsidiaries of listed entities:</u></b></p> <p>(a) Identification of Material Subsidiary Companies.</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries.</p>	Yes	



6.	<b><u>Preservation of Documents:</u></b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under SEBI LODR Regulations, 2015	Yes	
7.	<b><u>Performance Evaluation:</u></b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the <b>start</b> of every financial year as prescribed in SEBI Regulations.	Yes	
8.	<b><u>Related Party Transactions:</u></b> <b>(a)</b> The listed entity has obtained prior approval of Audit Committee for all Related Party Transactions.  <b>(b)</b> In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	Yes	
9.	<b><u>Disclosure of events or information:</u></b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.	Yes	
10.	<b><u>Prohibition of Insider Trading:</u></b> The listed entity is in compliance with Regulation - 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<b><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></b> No Actions taken against the listed entity/ its Promoters/ Directors/ Subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and Circulars/ Guidelines issued there under.	N.A.	No action taken except as mentioned in point (a) on Page No. 3.
12.	<b><u>Additional Non-compliances, if any:</u></b> No any additional non-compliance observed for all SEBI Regulation/Circular/Guidance Note etc.	N.A.	

**Assumptions & Limitation of Scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation - 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**Date: May 30, 2023**

**Place: Mumbai**

**For N. L. Bhatia & Associates  
Practicing Company Secretaries**

**UIN: P1996MH055800**

**P/R No.: 700/2020**

**Bhaskar Upadhyay  
Partner**

**FCS: 8663**

**CP. No: 9625**

**UDIN: F008663E000421427**

## **CERTIFICATE OF CORPORATE GOVERNANCE**

**To,  
The Members of  
Candour Techtex Limited**

We have examined all the relevant records of Candour Techtex Limited (“the Company”) for the purpose of certifying compliance with the conditions of the Corporate Governance under Chapter - IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the financial year from April 01, 2022 to March 31, 2023.

The Compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. This Certificate is neither an Audit nor an expression of Opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

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 M/S. N L Bhatia & Associates  
Practising Company Secretaries  
UIN: P1996MH055800  
PR NO.: 700/2020**

**Date: August 16, 2023  
Place: Mumbai**

**N L Bhatia  
Partner  
FCS:1176  
CP. NO.: 422  
UDIN: F001176E000810875**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**Candour Techtex Limited**

**(Formerly known as Chandni Textiles Engineering Industries Limited)**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of Candor Techtex Limited (**hereinafter referred to as "the Company"**), which comprise the Balance Sheet as at 31 March 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 Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("**Ind AS**") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit 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 Standalone Financial Statements*** Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Measurement and valuation of inventory -</b>	
<p>As at 31 March 2023 the Company has inventory amounting to Rs.1,78,92,413/- (Refer Note no.8)</p> <p>This was determined a key audit matter, as the measurement and valuation of the inventory at the yearend involves significant judgement and estimate.</p> <p>The Company uses internal and external experts, to perform volumetric assessments, on the basis of which the quantity for these inventories is estimated.</p> <p>The physical count of inventory was carried out by internal experts for inventory lying at Ankleshwar and Nasik factories.</p>	<p>Our audit procedures relating to the measurement of inventory included the following:</p> <ul style="list-style-type: none"> <li>(a) Understanding and evaluating the design and operating effectiveness of controls over physical count and measurement of such inventory;</li> <li>(b) Performing procedures to ensure that the changes in inventory between last verification date and date of Balance Sheet are properly recorded (Roll back and forward procedures).</li> <li>(c) Evaluating of competency and capabilities of management's experts;</li> <li>(d) Performing substantive analytical procedures to test the correctness of inventory existence and valuation.</li> <li>(e) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items.</li> </ul> <p>Based on the above procedures performed, we did not identify any material exceptions in the measurement and valuation of inventory quantities of textile goods and plastic goods.</p>
<b>Allowance for credit losses in respect of Trade Receivables -</b>	
<p>The Company determines the allowance for credit losses in respect of trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit losses in respect of these trade receivables, the Company also</p>	<p>Our audit procedures related to the allowance for credit losses for the trade receivables included the following, among others:</p> <ul style="list-style-type: none"> <li>• We tested the effectiveness of controls over the</li> <li>(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated</li> </ul>

<p>considered the relevant credit information for its customers to estimate the probability of default in future.</p> <p>We identified allowance for credit losses as a key audit matter because of the significant judgement involved in calculating the expected credit losses. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses.</p>	<p>future economic conditions,</p> <p>(2) completeness and accuracy of information used in the estimation of probability of default, and,</p> <p>(3) computation of the allowance for credit losses.</p> <ul style="list-style-type: none"> <li>For a sample of trade receivables, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</li> <li>We evaluated the incorporation of the applicable assumptions into the estimate of expected credit losses and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</li> </ul> <p>We evaluated the qualitative adjustment to the historical loss rates, including assessing the basis for the adjustments and the reasonableness of the significant assumptions.</p>
<b>Establishment of New Technical Textile Project at Malegaon, Maharashtra-</b>	
<p>The Company is in process of establishing Technical Textile manufacturing unit at Malegaon, Maharashtra.</p> <p>The Company has acquired leasehold land from the State Government authority and construction of the factory building thereon is in progress. The Company is in process of installation of various machineries, equipment, and other manufacturing infrastructures at Malegaon unit.</p> <p>The Company raised the funds through private placement of equity shares and has availed terms loans from the banks and private parties to finance the said project apart from internal accruals.</p> <p>We identified the self-construction of property,</p>	<p>Our audit procedures relating to the recognition and measurement of property, plant and equipment and borrowing costs relating to New Technical Textile Project at Malegaon included the following:</p> <ul style="list-style-type: none"> <li>Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test whether they meet the recognition criteria as set out in Ind AS 16 – Property, Plant and Equipment, including intended use of management.</li> <li>Identified direct costs relating to acquisition or construction of property, plant &amp; equipment of Malegaon project in accordance with Ind AS 16 and after deducting the income</li> </ul>

<p>plant and equipment and borrowing costs the key audit matters since the same involves identification of costs relating to acquisition of capital assets, utilization of funds raised and related borrowing costs till the assets are ready for its intended use.</p> <p>Measurement and recognition of property, plant and equipment and determination of timing of capitalisation as well as rate of amortization / depreciation in order to ensure compliance with the stipulation of the applicable Accounting Standards involve estimates and significant judgment.</p> <p>Accordingly, valuation and completeness are key assertions related to capitalisation of Property, plant, and equipment while accuracy is the key assertion in respect of depreciation / amortization charge.</p>	<p>accrued during the construction period.</p> <ul style="list-style-type: none"> <li>• Measured and recognized interest and other finance charges as a component of the carrying amount of self-constructed items of property, plant &amp; equipment in accordance with <b>Ind AS 23 Borrowing costs</b>.</li> <li>• Evaluated the assessment provided by third party vendors involved in the construction and testing process to determine whether capitalisation ceased when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management.</li> </ul> <p>Assessed the design, implementation, and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization.</p>
--	--

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Managements' and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's management and 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 state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 statements 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, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is 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.

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 auditors' 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

- 1.** As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. (A)** 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 Flows 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 Indian Accounting Standards specified under Section 133 of the Act.
  - (e)** On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 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 B".
- (B)** With respect to the other matters to be included in the Auditors 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:

- (a)** The Company does not have pending litigations which would impact its financial position;
- (b)** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (c)** There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- (d)**
  - (i)** 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 or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii)** The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (iii)** Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) hereinabove, contain any material misstatement.
- (e)** The Company has not declared or paid any dividend during the year.
- (f)** Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**(C)** With respect to the matter to be included in the Auditors' Report under Section 197(16) as amended:

According to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.

**For Ambavat Jain & Associates LLP**

**Chartered Accountants**

**ICAI Firm Registration No: 109681W**

**Ashish J Jain**

**Partner**

**Membership No.111829**

**Place: Mumbai**

**Date: 30 May 2023**

**ICAI UDIN No: 23111829BGVYQN1784**

**Annexure - A to the Independent Auditors' Report**  
***(Referred to in paragraph 1 under 'Report on other Legal & Regulatory Requirements' Section of our report of even date)***

---

- [i] (a) (A)** The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (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, these Property, Plant & Equipment have been physically verified by the management in the phased manner at reasonable intervals during the year having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c)** According to the information and explanations given to us and on the basis of our examination of the records 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 favor of the lessee) disclosed in the financial statements are held in the name of the Company.
- (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 during the year.
- (e)** According to the information and explanations given to us, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- [ii] (a)** As informed to us, the inventory in the Company's possession has been physically verified at reasonable intervals during the year by the management. Considering the size of the Company and nature of its business, in our opinion, the coverage and procedures of such verification by the management were appropriate. As informed to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between physical stock and book records.
- (b)** According to the information and explanations given to us, the Company has not been sanctioned any working capital limits in excess of five crores from banks or financial institutions on the basis of security of current assets during the year.
- [iii]** 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 not made investments

in or granted any advances in nature of loans or provided any guarantee or security to companies, firms, Limited Liability Partnerships, or any other parties during the year. However, the Company has granted interest free loans to its employees during the year and the details of such loans are stated in sub-clause (a) below.

**(a)** The Company has not granted advances in nature of loans or made investments in or stood guarantee or provided security to any other entity. However, the Company has provided interest free loans to its employees during the year.

**(A)** According to the information and explanations given to us, the Company does not have any subsidiaries, joint venture, and associates at any time during the year and hence, this sub-clause is not applicable.

**(B)** According to the information and explanations given to us, the Company has granted loans to parties other than subsidiaries, joint venture and associates as below:

Particulars	Amount (in Rs.)
Aggregate amount of loans granted to employees during the year –	1,00,000
Balance of outstanding loans to employees as at balance sheet date –	30,000

**(b)** According to the information and explanations given to us, in our opinion, the terms and conditions of the loans given to employees are prima facie not prejudicial to the Company's interest.

**(c)** According to the information and explanations given to us, in respect of interest free loans granted by the Company to its employees, the schedule of repayment of principal amount has been stipulated and the repayments of principal amounts are generally been regular as per stipulation.

**(d)** According to the information and explanations given to us, there is no overdue amount for more than ninety days in respect of loans given.

**(e)** According to the information and explanations given to us, there is no loan granted falling due during the year and hence, this sub-clause is not applicable.

**(f)** According to the information and explanations given to us, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

- [iv]** According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans or provided any guarantee or security as specified under Sections 185 and 186 of the Act. Further on the basis of examination of the records, the Company has complied with the provisions of Section 186 of the Act with respect to the investments made.
- [v]** According to the information and explanations given to us and on the basis of our examination of the records, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- [vi]** According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Sub-section (1) of Section 148 of the Act for the products of the Company and/or services provided by it. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- [vii] (a)** According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues applicable to it. There were no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable except provident fund dues of Rs. 4,64,201/- pertaining to period from April 2022 to September 2022 out of which Rs. 89,908/- has been paid till the date of this audit report.
- (b)** According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- [viii]** According to the information and explanations given to us, the Company has not surrendered or disclosed any unrecorded transactions in the books of account as income during the year in the tax assessments under the Income-tax Act, 1961.
- [ix] (a)** According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender during the year.
- (b)** According to the information and explanations given to us, the Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (c)** According to the information and explanations given to us and on the basis of our examination of the records, the terms loans have been applied for the purposes for which these loans were raised.

- (d)** According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has utilized any short-term funds to the extent of Rs 55,21,879/- raised from a director for purchase of capital assets or capital advances for its Malegaon Project pending disbursement of the term loan from the financial institutions.
- (e)** The Company does not have any subsidiaries, associate companies, or joint ventures during the year. Accordingly, paragraphs 3(ix)(e) and 3(ix)(f) of the Order is not applicable.
- [x] (a)** The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (xa) of the Order is not applicable.
- (b)** The Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. However, according to the information and explanations given to us and on the basis of our examination of the records, the funds raised through the preferential allotment of equity shares during the preceding year end have been used for the purposes for which such funds were raised.
- [xi] (a)** According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b)** According to the information and explanations given to us, no report under Sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c)** As informed to us, the Company has not received any whistle-blower complaints during the year. Accordingly, paragraph 3(xi)(c) of the Order is not applicable.
- [xii]** In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- [xiii]** According to the information and explanations given to us, in our opinion, the 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 financial statements as required by the applicable accounting standards.
- (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 the internal audit reports of the Company issued till date, for the period under audit.
- [xv]** According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and hence, provisions of Section 192 of the Act are not applicable to the Company.
- [xvi] (a)** According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b)** According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c)** According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d)** According to the information and explanations given to us, the Company is not in any group as defined in Core Investment Companies (Reserve Bank) Directions 2016. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii)** The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii)** There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (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, 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 the 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 considering the term loan sanctioned by the financial institution will be disbursed for the purchase of the capital assets according to the planned schedule in subsequent period. However, 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, the provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, paragraph 3(xx) of the Order is not applicable.

**For Ambavat Jain & Associates LLP**

**Chartered Accountants**

**ICAI Firm Registration No: 109681W**

**Ashish J Jain**

**Partner**

**Membership No.111829**

**Place: Mumbai**

**Date: 30 May 2023**

**ICAI UDIN No: 23111829BGVYQN1784**

**Annexure - B to the Independent Auditors' Report**  
***(Referred to in paragraph 2(A)(f) under 'Report on other Legal & Regulatory Requirements' Section of our report of even date)***

---

**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 over financial reporting with reference to standalone financial statements of **Candour Techtex Limited (formerly known as Chandni Textile Engineering Industries Limited) (hereinafter referred to as "the Company")** as of **31<sup>st</sup> March, 2023** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Considering the size of the Company and nature of its business, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to standalone financial statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 over financial reporting 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 Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**For Ambavat Jain & Associates LLP**

**Chartered Accountants**

**ICAI Firm Registration No: 109681W**

**Ashish J Jain**

**Partner**

**Membership No.111829**

**Place: Mumbai**

**Date: 30 May 2023**

**ICAI UDIN No: 23111829BGVYQN1784**

**CANDOUR TECHTEX LIMITED**  
(Formerly Known as Chandni Textiles Engineering Industries Limited)  
**Balance Sheet as at 31<sup>st</sup> March, 2023**

Particulars		Note No.	AS AT 31-03-2023 Rs.	AS AT 31-03-2022 Rs.
<b>I</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>NON-CURRENT ASSETS</b>			
	1. Property, Plant and Equipment	3.1	8,80,21,817	8,83,60,756
	2. Capital work-in-progress	3.2	25,36,43,720	78,96,396
	3. Investment Properties	3.3	-	24,61,237
	4. Intangible assets	3.4	4,069	9,457
	5. Right of Use Assets	3.5	5,66,02,706	6,44,28,287
	6. Financial Assets			
	i. Investments	4	76,97,025	73,91,040
	ii. Other Financial Assets	5	44,98,046	2,46,68,774
	7. Deferred tax Assets (Net)	6	5,73,565	(35,20,286)
	8. Other non-current assets	7	85,68,769	2,54,98,069
	9. Income-tax Assets (net)	8	21,76,963	15,46,393
<b>(2)</b>	<b>CURRENT ASSETS</b>			
	(a) Inventories	9	1,82,44,592	1,13,73,317
	(b) Financial Assets			
	i. Trade receivables	10	2,15,95,892	1,79,64,907
	ii. Cash and cash equivalents	11	4,11,07,173	1,63,39,792
	iii. Bank balances other than (ii) above	12	5,07,60,688	10,29,46,509
	iv. Other financial assets	13	4,82,166	18,05,189
	(c) Other current assets	14	2,85,99,818	1,74,38,214
	<b>Total Assets</b>		<b>58,25,77,009</b>	<b>38,66,08,052</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	15	16,93,72,630	16,93,72,630

	<b>(b) Other Equity</b>	<b>16</b>	11,74,61,615	9,45,35,303
	<b>LIABILITIES</b>			
<b>A.</b>	<b>NON-CURRENT LIABILITIES</b>			
	<b>(a) Financial Liabilities</b>			
	<b>(i) Borrowings</b>	<b>17</b>	12,04,91,284	2,09,50,000
	<b>(ia) Lease Liabilities</b>	<b>18</b>	3,67,56,974	4,28,71,219
	<b>(ii) Other financial liabilities</b>	<b>19</b>	3,15,147	-
	<b>(b) Provisions</b>	<b>20</b>	339295	-
	<b>(B) CURRENT LIABILITIES</b>			
	<b>(a) Financial Liabilities</b>			
	<b>(i) Short term borrowings</b>	<b>21</b>	5,17,46,553	1,28,41,388
	<b>(ia) Lease Liabilities</b>	<b>22</b>	57,30,830	48,49,565
	<b>(ii) Trade payables</b>	<b>23</b>		
	<b>(a) total outstanding dues of micro enterprises &amp; small enterprises</b>		-	99,900
	<b>(b) total outstanding dues of creditors other than micro enterprises &amp; small enterprises</b>		2,70,63,738	2,99,79,049
	<b>(iii) Other financial liabilities</b>	<b>24</b>	4,72,07,737	73,28,392
	<b>(b) Other Current Liabilities</b>	<b>25</b>	36,27,838	37,16,272
	<b>(c) Current tax liabilities (net)</b>	<b>26</b>	24,63,368	64,334
	<b>Total Equity and Liabilities</b>		<b>58,25,77,009</b>	<b>38,66,08,052</b>
	<b>Significant Accounting Policies</b>	<b>2</b>		
	<b>The accompanying notes are an integral part of the financial statements</b>			

As per our report of even date  
For Ambavat Jain & Associates LLP  
Chartered Accountants  
Firm Registration No. 109681W

Ashish J. Jain  
Partner  
Membership No. 111829

Place :MUMBAI  
Date : 30-05-2023

On behalf of the Board

Sd/-  
J.R. Mehta  
Managing Director  
DIN 00193029

Sd/-

Shailesh Sankav  
Chief Financial Officer

Place :MUMBAI  
Date : 30-05-2023

Sd/-  
R.C. Garg  
Director  
DIN 03346742

Sd/-

Kirti Pathak  
Company Secretary  
Membership No. A51173

**CANDOUR TECHTEX LIMITED**  
(Formerly Known as Chandni Textiles Engineering Industries Limited)  
**Statement of Profit and Loss for the year ended 31st March, 2023**

	Particulars	Note No.	2022-23	2021-22
			Rs.	Rs.
	<b><u>INCOME</u></b>			
I.	Revenue From Operations	27	59,63,26,659	1,74,18,97,137
II.	Other Income	28	4,22,33,013	1,59,39,483
III.	<b>Total Income (I + II)</b>		<b>63,85,59,672</b>	<b>1,75,78,36,620</b>
IV.	<b><u>EXPENSES</u></b>			
a)	Cost of materials consumed	29	9,03,06,015	6,11,61,586
b)	Purchases of Stock-in-Trade	30	42,07,82,320	1,57,83,34,093
c)	Changes in inventories of finished goods & Stock-in-Trade	31	(8,58,178)	19,31,939
d)	Manufacturing expenses	32	2,47,37,415	1,99,38,449
e)	Employee benefits expenses	33	4,25,17,618	3,53,33,807
f)	Finance costs	34	51,14,144	47,22,265
g)	Depreciation and amortization	3	1,62,07,305	1,62,65,775
h)	Other expenses	35	1,66,81,497	1,57,50,247
	<b>Total Expenses (IV)</b>		<b>61,54,88,137</b>	<b>1,73,34,38,161</b>
V.	<b>Profit before exceptional items and tax (III-IV)</b>		<b>2,30,71,535</b>	<b>2,43,98,459</b>
VI.	Exceptional items		-	-
VII.	<b>Profit before tax (V + VI)</b>		<b>2,30,71,535</b>	<b>2,43,98,459</b>
VIII.	<b>Tax Expenses</b>	36		
	(i) Current tax		40,16,758	41,74,657
	(ii) Income-tax of earlier years		1,12,110	1,653



	(iii) Deferred tax		(40,93,851)	27,22,761
			35,017	68,99,071
<b>IX.</b>	<b>Profit for the year (VII - VIII)</b>		<b>2,30,36,519</b>	<b>1,74,99,387</b>
<b>X.</b>	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit & loss			
	(i) Remeasurement gains/(loss) on defined benefit plans		(1,52,682)	1,38,346
	(ii) Income-tax on above		42,476	(38,488)
	<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>(1,10,206)</b>	<b>99,858</b>
<b>XI.</b>	<b>Total Comprehensive Income for the year (IX + X)</b>		<b>2,29,26,313</b>	<b>1,75,99,245</b>
<b>XII.</b>	<b>Earnings per equity share</b>	<b>37</b>		
	(a) Basic (annualised)		<b>1.36</b>	<b>1.08</b>
	(b) Diluted (annualised)		<b>1.36</b>	<b>1.08</b>
	<b>Significant Accounting Policies</b>	<b>2</b>		
	<b>The accompanying notes are an integral part of the financial statements.</b>			

As per our report of even date  
For Ambavat Jain & Associates LLP  
Chartered Accountants  
Firm Registration No. 109681W

Ashish J. Jain  
Partner  
Membership No. 111829

Place :MUMBAI  
Date : 30-05-2023

On behalf of the Board

Sd/-  
J.R. Mehta  
Managing Director  
DIN 00193029

Sd/-  
Shailesh Sankav  
Chief Financial Officer

Place :MUMBAI  
Date : 30-05-2023

Sd/-  
R.C. Garg  
Director  
DIN 03346742

Sd/-  
Kirti Pathak  
Company Secretary  
Membership No. A51173

**CANDOUR TECHTEX LIMITED**  
**(Formerly known as Chandni Textiles Engineering Industries Limited).**  
**Statement of Cash Flow for the year ended 31<sup>st</sup> March 2023**

**Accounting Policy**

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

		(Rupees)	
Particulars		2023-2022	2021-2022
<b>Cash flow from operating activities</b>			
	<b>Profit before Tax</b>	<b>2,30,71,535</b>	<b>2,43,98,459</b>
	Adjustment for :		
	Depreciation and amortisation	1,62,07,305	1,62,65,775
	Demerger Expenses written off	-	1,97,580
	Loss /(Gain) on disposal of Property, Plant & Equipments and Capital work in progress	(21,84,374)	(55,13,919)
	Changes in fair value of equity instruments though profit and loss	(3,05,984)	(14,66,876)
	Allowances for credit loss	8,90,648	9,71,084
	Cancellation of Lease (Ind AS)	5,00,802	(20,17,883)
	Loss on discarded assets	90,218	-
	Discounting of Financial Liability	(2,61,08,721)	-
	Interest Income	(42,10,072)	(30,23,338)
	Dividend income	(1,91,180)	(40,300)
	Interest Expense	51,05,428	47,22,265
	<b>Cash operating profit before working capital changes</b>	<b>1,28,65,605</b>	<b>3,44,92,847</b>
	Adjustment for :		
	(Increase)/Decrease in trade receivables	(45,21,633)	30,30,01,826
	(Increase)/Decrease in Inventories	(68,71,275)	(5,15,839)
	(Increase)/Decrease in Other Financial Assets	13,23,023	17,25,329
	(Increase)/Decrease in Other Current Assets	(1,11,61,604)	1,47,00,329
	(Increase)/Decrease in Other non-current Financial Assets	2,01,70,728	(2,07,71,788)
	(Increase)/Decrease in Other non-current assets	(18,70,982)	1,83,075

	(Increase/(Decrease) in trade payables	(30,15,211)	(25,80,40,596)
	(Increase/(Decrease) in Other noncurrent Liabilities	3,15,147	-
	(Increase/(Decrease) in Provisions	3,39,295	-
	(Increase/(Decrease) in Other Financial Liabilities	3,98,79,345	8,32,613
	(Increase/(Decrease) in Other current Liabilities	(88,434)	15,49,557
	<b>Cash generated from operating activities</b>	<b>4,73,64,004</b>	<b>7,71,57,352</b>
	<b>Income tax paid (net of refund)</b>	<b>(23,17,825)</b>	<b>(31,15,349)</b>
	<b>Net Cash generated from operating activities</b>	<b>4,50,46,179</b>	<b>7,40,42,003</b>
	<b>Cash flow from Investing activities</b>		
	Purchase of Property, Plant and Equipments and Intangible assets.	(23,38,71,899)	(3,29,28,175)
	Payment for acquisition of Leasehold land	-	(1,44,99,665)
	Payment for Right of Use of Asset	(4,06,317)	-
	Proceeds from disposal of Property, Plant & Equipments and Capital work in progress	27,15,000	95,00,000
	Interest received	42,10,072	30,23,338
	Dividend received	1,91,180	40,300
	<b>Net cash generated/(used) from investing activities</b>	<b>(22,71,61,964)</b>	<b>(3,48,64,202)</b>
	<b>Cash flow from Financing activities</b>		
	Proceeds /Repayment of long term borrowings	12,47,37,533	2,09,50,000
	Proceeds /Repayment of Short term borrowings	2,34,79,659	56,54,040
	Proceeds from Preferential issue of equity shares	-	4,00,00,000
	Interest paid	(12,28,849)	(11,65,010)
	Payment of Lease Liabilities	(77,16,505)	(87,01,757)
	<b>Net cash generated/(used) from financing activities</b>	<b>13,92,71,838</b>	<b>5,67,37,274</b>
	<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(4,28,43,947)</b>	<b>9,59,15,075</b>
	<b>Cash And Cash Equivalents at the beginning of the year</b>	<b>11,68,02,413</b>	<b>2,08,87,338</b>
	<b>Cash And Cash Equivalents at end of the year</b>	<b>7,39,58,466</b>	<b>11,68,02,413</b>

<b>Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement</b>			
	Cash & Cash Equivalents (Note 10)	<b>4,11,07,173</b>	<b>1,63,39,792</b>
	Other Bank Balances (Note 11)	<b>5,07,60,688</b>	<b>10,29,46,509</b>
	Bank overdraft ( Note 19)	<b>(1,79,09,394)</b>	<b>(24,83,888)</b>
	Balance as per statement of Cash Flows	<b>7,39,58,466</b>	<b>11,68,02,413</b>

<b>Changes in liability arising from financing activities</b>					
		01-04-2022	Cash Flows		31-03-2023
			Receipts	Payments	
	Current Borrowings	24,83,888	39,31,37,668	37,77,12,162	1,79,09,394
	Unsecured Loan from Directors	1,03,57,500	2,01,00,000	10,00,000	2,94,57,500
	Non - Current Borrowings	2,09,50,000	8,57,50,000	1,97,51,893	8,70,00,000
	<b>Total</b>	<b>3,37,91,388</b>	<b>49,89,87,668</b>	<b>39,84,64,055</b>	<b>13,43,66,894</b>

**As per our report of even date  
For Ambavat Jain & Associates LLP  
Chartered Accountants  
Firm Registration No. 109681W**

**Ashish J. Jain  
Partner  
Membership No. 111829**

**Place :MUMBAI  
Date : 30-05-2023**

**On behalf of the Board**

**Sd/-  
J.R. Mehta  
Managing Director  
DIN 00193029**

**Sd/-  
Shailesh Sankav  
Chief Financial Officer**

**Place :MUMBAI  
Date : 30-05-2023**

**Sd/-  
R.C. Garg  
Director  
DIN 03346742**

**Sd/-  
Kirti Pathak  
Company Secretary  
Membership No. A51173**

<b>CANDOUR TECHTEX LIMITED</b>				
<b>(Formerly known as Chandni Textiles Engineering Industries Limited)</b>				
<b>Statement of Changes in Equity for the year ended 31st March 2023</b>				
<b>A. EQUITY SHARE CAPITAL</b>				
<b>1. 2022-23</b>				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year (*)	Balance at the end of the current reporting period
169,372,630	-	169,372,630	-	169,372,630
(*) on account of preferential allotment of equity shares during the year.				
<b>2. 2021-22</b>				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
161,372,630	-	161,372,630	8,000,000	169,372,630
<b>B. OTHER EQUITY</b>				
	Reserves and Surplus		Items of Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings		
Balance as at 31st March 2021	18,831,403	26,104,655	-	44,936,058
Add : Securities premium received for preferential allotment of equity shares	32,000,000	-	-	32,000,000
Profit for the year	-	17,499,387	-	17,499,387
Other Comprehensive income	-	99,858	-	99,858
Total comprehensive	-	17,599,245	-	<b>17,599,245</b>

income for the year				
Balance as at 31 March 2022	50,831,403	43,703,900	-	<b>94,535,303</b>
Profit for the year	-	23,036,519	-	23,036,519
Other Comprehensive income	-	(110,206)	-	(110,206)
Total comprehensive income for the year	-	22,926,313	-	<b>22,926,313</b>
Balance as at 31 March 2023	<b>50,831,403</b>	<b>66,630,212</b>	-	<b>117,461,615</b>

**As per our report of even date  
For Ambavat Jain & Associates LLP  
Chartered Accountants  
Firm Registration No. 109681W**

**Ashish J. Jain  
Partner  
Membership No. 111829**

**Place :MUMBAI  
Date : 30-05-2023**

**On behalf of the Board**

**Sd/-  
J.R. Mehta  
Managing Director  
DIN 00193029**

**Sd/-  
Shailesh Sankav  
Chief Financial Officer**

**Place :MUMBAI  
Date : 30-05-2023**

**Sd/-  
R.C. Garg  
Director  
DIN 03346742**

**Sd/-  
Kirti Pathak  
Company Secretary  
Membership No. A51173**

## **NOTES ON THE FINANCIAL STATEMENTS**

### **1. General Information**

Candour Techtex Limited (Formerly known as Chandni Textiles Engineering Industries Ltd.) is a public company limited by shares, incorporated under the provisions of the Companies Act applicable in India and domiciled in India. Its Registered Office is located at 108/109 T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai 400 030. Its shares are listed on two recognized Stock Exchanges in India (BSE & MSEI).

The Company is dealing in diversified business activities, primarily in manufacturing and trading of textiles, plastics and other items.

The financial statements are approved by the company's board of directors on 30-05-2023.

### **2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these separate Financial Statements of Chandni Textiles Engineering Industries Ltd. These policies have been consistently applied to all the period presented, unless otherwise stated.

#### **a) Basis of Preparation**

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

These Financial Statement have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as a going concern on an accrual basis.

##### **(ii) Historical cost convention**

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Equity Investments in entities are measured at fair value;
- Certain financial assets & liabilities are measured at fair value;
- Defined Benefit Plans – plan assets are measured at fair value.

##### **(iii) Use of estimates**

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

**b) Current versus Non-Current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**c) Fair value measurement**

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

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

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



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of un-observable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for a fair value. Other fair value related disclosures are given in the relevant notes.

#### **d) Revenue recognition**

The Company earns revenue primarily from sale of products and sale of services.

##### **Sale of Products and Services**

Revenues are recognized when the Company satisfies the performance obligation by transferring a promised product or service to a customer. A product is transferred when the customer obtains control of that product. To recognize revenues, company applies the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract,
- (5) recognize revenues when a performance obligation is satisfied. Revenues from the sale of goods is measured at the fair value of the consideration received ore receivable, net of returns and allowances, trade discounts and volume rebates.

**Job work Charges**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of reporting period.

**Rental Income**

Rental income from the property leased under the leave and license agreement is recognized as income on a straight-line basis over the period of contractual lease terms. The respective leased assets are included in the balance sheet based on their nature.

**Interest Income**

Revenue from interest is recognized on accrual basis and determined by contractual rate of interest.

**Dividend Income**

Dividend income is stated at gross and is recognized when right to receive payment is established.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is measured net of indirect taxes, returns and discounts.

**e) Transactions in Foreign Currency**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Premium on forward cover contracts, if any, in respect of imports is charged to profit & loss account over the period of contract. All monetary assets and liabilities as at the Balance sheet date, not covered by forward contracts are restated at the applicable exchange rates prevailing on that date. All exchange differences arising on transactions, not covered by forward contracts, are charged to Profit & Loss Account.

**f) Lease****As a Lessee**

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: **(i)** the contract involves the use of an identified asset **(ii)** the Company has substantially all of the economic benefits from use of the asset through the period of the lease and **(iii)** the Company has the right to direct the use of the asset.

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

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

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

Modification of the lease terms relating to period of lease and lease payments are recognized in accordance with Paragraphs 42 to 46B of Indian AS 116 and appropriate adjustments are made to ROU and Lease liability during the year of modification of lease.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ("**CGU**") to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of

domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

Land under non-perpetual lease is treated as operating lease. Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease.

#### **As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in 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. The respective leased assets are included in the balance sheet based on their nature. The weighted average incremental borrowing rate applied to lease liabilities is 6.75%.

#### **g) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank 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) Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

#### **i) Inventories**

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**j) Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of plant and equipment that are not yet ready for their intended use on the reporting date.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than freehold, is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss

**i) Intangible Assets**

Intangible Assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably.

Intangible assets are amortized on straight line basis over their estimated useful lives. An intangible asset is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**j) Investment Properties**

Investment properties consist of commercial offices not required presently for own use or administrative purposes and which are leased to others to earn rentals and/or for capital

appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The Company, based on technical assessment made by management, depreciates the building over estimated useful lives of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in notes. Fair value is determined based on ready reckoner rate prescribed by the Government of Maharashtra for the purpose of levy of stamp duty.

#### **k) Financial instruments**

##### **Financial assets**

##### **Initial recognition and measurement**

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

##### **Classification**

- **Cash and Cash equivalents**

Cash and cash equivalents comprise of cash on hand, demand deposits with banks and are short-term balances (with an original maturity of three months or less from the date of acquisition).

- **Debt Instruments**

The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**(i) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

**(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)**

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets 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. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL as well as interest income is recognised in the Statement of Profit and Loss.

**Equity Instruments**

The Company subsequently measures all equity investments (other than the investment in subsidiaries which are measured at cost) at fair value. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

**Derecognition**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company 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 Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## **Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

### **Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

### **Derecognition**

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

### **Impairment of financial assets**

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

## **1) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities



unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**m) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**n) Employee Benefits**

**(i) Short-term obligations**

The costs of all short-term employee 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 during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

**(ii) Post-employment obligations**

The Company operates the following post-employment schemes:

**Gratuity Fund -**

The Company makes annual contributions to gratuity funds administered by the Life Insurance Corporation of India. The gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or assets as of the reporting date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

**Provident Fund -**

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

**o) Tax expenses****(i) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

**(ii) Deferred Tax**

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 amounts in the separate Financial Statements.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 offset where the entity 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 recognized in profit or loss, except to the extent that it relates to items recognized in other Comprehensive Income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognized as deferred tax asset in the balance sheet.

**p) Earnings per share**

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

**q) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

**r) Segment Reporting**

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets including goodwill.

**s) Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed if material.

**t) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the Financial Statements. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**(Formerly known as CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED)****Notes forming part of the Financial Statements****3.1. Property, Plant and Equipment**

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	As at 01-04-2022	Additions	Adjustments/ (Deductions)	As at 31-03-2023	Upto 31-03-2022	For the Year	Adjustments/ (Deductions)	Upto 31-03-2023	As at 31-03-2023	As at 31-03-2022
Freehold Land	5,40,800	-	-	5,40,800	-	-	-	-	5,40,800	5,40,800
Buildings	73,99,088	-	47,75,800	*1,21,74,888	21,92,429	3,01,443	23,14,563	48,08,435	73,66,453	52,06,659
Plant & Machinery	10,47,46,880	37,98,338	(4,39,700)	10,81,05,518	2,77,48,640	66,82,409	(69,073)	3,43,61,976	7,37,43,541	7,69,98,240
Furniture & Fixtures	93,97,461	6,19,346	(8,87,764)	91,29,043	73,64,740	8,70,502	(8,45,711)	73,89,531	17,39,512	20,32,721
Equipments	16,67,404	5,28,234	(10,15,711)	11,79,927	14,35,618	81,684	(9,67,546)	5,49,756	6,30,171	2,31,786
Computers	10,68,388	1,28,034	-	11,96,422	8,33,356	1,11,891	-	9,45,247	2,51,175	2,35,032
Vehicles	35,42,873	8,79,019	-	44,21,892	23,38,390	4,51,387	-	27,89,777	16,32,115	12,04,483
Air Conditioners	8,37,160	6,24,405	-	14,61,564	6,96,207	1,25,519	-	8,21,726	6,39,838	1,40,953
Electrical Fittings	33,98,884	34,800	-	34,33,684	16,28,802	3,26,671	-	19,55,473	14,78,211	17,70,082
<b>Total</b>	<b>12,92,37,941</b>	<b>38,61,068</b>	<b>5,00,071</b>	<b>13,25,98,938</b>	<b>3,59,34,213</b>	<b>84,92,417</b>	<b>1,88,448</b>	<b>4,42,38,182</b>	<b>8,83,60,756</b>	<b>9,33,03,727</b>

\* Transferred from Investment properties due to change in use of Office Premises.

**3.2. Capital Work-in-Progress**

Particulars	As at 01-04-2022	Additions	Capitalisation/ Deductions	As at 31-03-2023
Building	-	7,75,25,359	-	7,75,25,359
Plant & Machinery	1,59,999	13,05,40,809	1,59,999	13,05,40,809
Electical Installation	-	2,05,57,675	-	2,05,57,675
Equipment	-	80,57,274	-	80,57,274
Air Conditioner	5,95,108	-	5,95,108	-
Capital Expenditure appropriation	71,41,289	1,39,17,727	40,96,413	1,69,62,603

<b>Total</b>	<b>78,96,395</b>	<b>25,05,98,844</b>	<b>48,51,520</b>	<b>25,36,43,720</b>
<b>Total Previous Year</b>	<b>39,42,202</b>	<b>77,36,397</b>	<b>37,82,203</b>	<b>78,96,396</b>

Borrowing costs (net of interest income) amounting to Rs. 54,71,969/- is included in Capital Expenditure pending appropriation.

<b>Capital work in progress ageing schedule as at 31<sup>st</sup> March 2023</b>					(Amount in Rs.)
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	25,05,98,844	30,44,876	-	-	25,36,43,720
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>25,05,98,844</b>	<b>30,44,876</b>	<b>-</b>	<b>-</b>	<b>25,36,43,70</b>

<b>Capital work in progress ageing schedule as at 31<sup>st</sup> March 2022</b>					(Amount in Rs.)
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	77,36,396	-	1,59,999	-	78,96,395
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>77,36,396</b>	<b>-</b>	<b>1,59,999</b>	<b>-</b>	<b>78,96,395</b>

There are no projects under capital work in progress which have become overdue compared to the original plans as on the balance sheet date or where cost of the project is exceeded compared to the original plans.

### 3.3. Investment Properties

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01-04-2022	Additions	Deductions/ Adjustments	As at 31-03-2023	Upto 31-03-2022	For the year	Deductions/ Adjustments	Upto 31-03-2023	As at 31-03-2023	As at 31-03-2022
Office Premises	47,75,800	-	(47,75,800)	*-	23,14,563	-	(23,14,563)	-	-	24,61,237
<b>Total Previous Year</b>	<b>47,75,800</b>	<b>-</b>	<b>(47,75,800)</b>	<b>47,75,800</b>	<b>22,43,474</b>	<b>71,089</b>	<b>(23,14,563)</b>	<b>23,14,563</b>	<b>24,61,237</b>	<b>25,32,326</b>

\* Transferred to PPE due to change in use of office Premises.

**3.4. Intangible Assets**

Particulars	GROSS CARRYING AMOUNT			AMORTISATION				NET CARRYING AMOUNT		
	As at 01-04-2022	Additions	Deductions/ Adjustments	As at 31-03-2023	Upto 31-03-2022	For the year	Deductions/ Adjustments	Upto 31-03-2023	As at 31-03-2023	As at 31-03-2022
Trademark	37,000	-	-	37,000	27,543	5,388	-	32,931	4,069	9,457
<b>Total</b>	<b>37,000</b>	<b>-</b>	<b>-</b>	<b>37,000</b>	<b>27,543</b>	<b>5,388</b>	<b>-</b>	<b>32,931</b>	<b>4,069</b>	<b>9,457</b>
<b>Total Previous Year</b>	<b>37,000</b>	<b>-</b>	<b>-</b>	<b>37,000</b>	<b>22,141</b>	<b>5,402</b>	<b>-</b>	<b>27,543</b>	<b>9,457</b>	<b>14,859</b>

**3.5. Right of Use assets****Changes in the carrying value of Right of Use Assets**

Particulars	Land		Building	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b>Balance at the beginning</b>	1,44,99,665	-	4,99,28,622	5,73,35,516
Additions	-	1,44,99,665	46,75,550	97,83,802
Deletion (cancellation / modification of leases)	-	-	52,50,720	94,93,829
Depreciation	-	-	72,50,411	76,96,867
<b>Balance at the year end</b>	<b>1,44,99,665</b>	<b>1,44,99,665</b>	<b>4,21,03,041</b>	<b>4,99,28,622</b>

The aggregate depreciation expense on Right of Use assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

<b>4. NON - CURRENT INVESTMENTS</b>						
			<b>AS AT 31-03-2023</b>		<b>AS AT 31-03-2022</b>	
	<b>Face Value</b>	<b>Nos</b>	<b>Amount</b>	<b>Nos</b>	<b>Amount</b>	
<b>Investments in Equity Instruments</b>						
<b>(i) Others (At Fair Value Through Profit or Loss)</b>						
<b>Quoted</b>						
Alok Industries Ltd	1	5,000	57,950	5,000	1,26,750	
Shree Rajasthan Syntex Ltd	10	32,200	1,12,700	32,200	1,39,104	
Dish TV India Ltd	1	5,000	64,850	5,000	83,650	
Future Consumer Ltd	6	5,000	2,500	5,000	22,700	
HCL Infosystems Ltd	2	1,000	12,000	1,000	18,550	
IDFC Ltd	10	10,000	7,85,000	10,000	6,16,000	
IDFC First Bank Ltd (*)	10	10,500	5,77,710	10,500	4,16,325	
IOL Chemicals & Pharmaceuticals Ltd (*)	10	50	14,147	50	17,690	
Jaiprakash Associates Ltd	2	5,000	34,700	5,000	41,600	
Mauria Udyog Ltd	1	2,500	11,874	2,500	9,250	
Mercator Ltd	1	1,900	1,597	1,900	3,553	
Rohit Ferro -Tech Ltd	10	-	-	10,000	2,79,000	
Reliance Communications Ltd	5	25,000	32,000	25,000	67,000	
Sintex Plastic Technology Ltd	1	250	498	250	1,368	
State Bank of India (*)	1	10,000	52,37,000	10,000	49,34,000	
Yes Bank Ltd (*)	2	50,000	7,52,499	50,000	6,14,500	
			<b>76,97,025</b>		<b>73,91,040</b>	
<b>Unquoted</b>						
Rohit Ferro -Tech Ltd	10	10,000	-	-	-	
Rei Agro Ltd.	1	20,000	-	20,000	-	
			<b>76,97,024.65</b>		<b>73,91,040</b>	
Aggregate value of quoted investments (at fair value)			76,97,025		73,91,040	
Aggregate market value of quoted investments			76,97,025		73,91,040	
Aggregate value of unquoted investments			-		-	
<b>(*) Out of these shares, shares amounting to Rs. 60,31,155/- (2022 -55,86,015) are pledged as a margin money with the stock broker.</b>						



		AS AT 31-03-2023 Rs.	AS AT 31-03-2022 Rs.
<b>5.</b>	<b><u>OTHER NON-CURRENT FINANCIAL ASSETS</u></b> <b>(Unsecured considered good)</b>		
	Security Deposits at amortised costs	29,69,097	25,23,151
	Bank Deposits with more than 12 months maturity	15,28,949	2,21,45,623
		<b>44,98,046</b>	<b>2,46,68,774</b>
<b>6.</b>	<b><u>DEFERRED TAX ASSETS/(LIABILITIES) (NET)</u></b>		
	<b><u>Deferred Tax Assets :</u></b>		
	Expenses allowable on payment basis under Tax Laws	5,57,657	2,48,695
	Unused Losses	5,42,993	5,42,993
	Doubtful debts	11,76,688	9,28,909
	Lease Liabilities	14,76,233	12,42,216
	Mat credit entitlement	42,11,061	15,96,672
		<b>79,64,631</b>	<b>45,59,486</b>
	<b><u>Deferred Tax Liabilities :</u></b>		
	Timing difference on account of depreciation	71,17,821	75,76,068
	Changes in FV of Investments	61,710	1,63,234
	Unrealised Gains (ICDS)	2,11,535	3,40,470
		<b>73,91,066</b>	<b>80,79,772</b>
	<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>5,73,565</b>	<b>(35,20,286)</b>
<b>7.</b>	<b><u>OTHER NON-CURRENT ASSETS</u></b> <b>(Unsecured considered good)</b>		
	Deposit with Government Authorities	29,599	29,599
	Security Deposits Utility	33,82,355	13,79,580
	Capital Advances	23,09,665	2,10,03,265
	Others	28,47,150	30,85,625
		<b>85,68,769</b>	<b>2,54,98,069</b>
<b>8.</b>	<b><u>INCOME TAX ASSETS (NET)</u></b>		

	Advance Tax / TDS less provisions	21,76,963	15,46,393
		<b>21,76,963</b>	<b>15,46,393</b>
<b>9.</b>	<b><u>INVENTORIES</u></b>		
	(As taken, valued and certified by the management)		
	Raw Materials	1,35,65,084	75,51,987
	Stock-in-trade	-	38,698
	Finished Goods	46,79,508	37,82,632
	<b>TOTAL</b>	<b>1,82,44,592</b>	<b>1,13,73,317</b>
<b>10.</b>	<b><u>TRADE RECEIVABLES</u></b>		
	Trade Receivables considered good - Unsecured	2,15,95,892	1,79,64,907
	Trade Receivables which have significant increase in Credit Risk	42,29,646	33,38,998
	Less : Allowance for credit loss	42,29,646	33,38,998
		-	-
	<b>TOTAL</b>	<b>2,15,95,892</b>	<b>1,79,64,907</b>
	Debts due by Companies in which a Director is a Director.	<b>5,00,786</b>	-

**10.1 TRADE RECEIVABLES AGEING SCHEDULE -**

Particulars	Outstanding for following periods from due date of payment - As at 31-03-2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables (unsecured) - considered good	2,15,70,515	12,585	12,792	-	-	2,15,95,892
Undisputed Trade receivables (unsecured) - which have significant increase in credit risk						
Undisputed Trade receivables (unsecured) - credit impaired	-	-	2,62,233	3,94,502	35,72,911	42,29,646

Disputed Trade receivables (unsecured) - considered good							-
Disputed Trade receivables (unsecured) - which have significant increase in credit risk							
Disputed Trade receivables (unsecured) - credit impaired							-
<b>Total :-</b>	<b>2,15,70,515</b>	<b>12,585</b>	<b>2,75,025</b>	<b>3,94,502</b>	<b>35,72,911</b>	<b>2,58,25,538</b>	
Less : Allowance for credit loss			<b>2,62,233</b>	<b>3,94,502</b>	<b>35,72,911</b>	<b>42,29,646</b>	
<b>Total :-</b>	<b>2,15,70,515</b>	<b>12,585</b>	<b>12,792</b>	<b>-</b>	<b>-</b>	<b>2,15,95,892</b>	
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment - As at 31-03-2022</b>					<b>Total</b>	
	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>		
Undisputed Trade receivables (unsecured) - considered good	1,68,19,488	4,97,923	1,44,443	-	5,03,053	1,79,64,907	
Undisputed Trade receivables (unsecured) - which have significant increase in credit risk							
Undisputed Trade receivables (unsecured) - credit impaired	-	-	2,69,141	4,74,285	25,95,572	33,38,998	
Disputed Trade receivables (unsecured) - considered good							
Disputed Trade receivables (unsecured) - which have significant increase in credit							

risk						
Disputed Trade receivables (unsecured) - credit impaired						
<b>Total :-</b>	<b>1,68,19,488</b>	<b>4,97,923</b>	<b>4,13,584</b>	<b>4,74,285</b>	<b>30,98,625</b>	<b>2,13,03,905</b>
Less : Allowance for credit loss	-		<b>2,69,141</b>	<b>4,74,285</b>	<b>25,95,572</b>	<b>33,38,998</b>
<b>Total :-</b>	<b>1,68,19,488</b>	<b>4,97,923</b>	<b>1,44,443</b>	<b>-</b>	<b>5,03,053</b>	<b>1,79,64,907</b>

<b>11.</b>	<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
	Balances with banks in current accounts	52,26,008	67,84,111
	Cash on hand	8,17,115	13,58,606
	Bank deposits with less than 3 months maturity	3,50,64,051	81,97,075
	<b>TOTAL</b>	<b>4,11,07,173</b>	<b>1,63,39,792</b>
<b>12.</b>	<b><u>OTHER BANK BALANCES</u></b>		
	Bank deposits with maturity of more than 3 months but less than 12 months	5,07,60,688	10,29,46,509
		<b>5,07,60,688</b>	<b>10,29,46,509</b>
	Fixed deposits to the extent of Rs.4,56,25,000/- (2022- Rs.4,56,25,000/-) are pledged to the banks against credit facilities.		
<b>13.</b>	<b><u>OTHER CURRENT FINANCIAL ASSETS</u></b>		
	(Unsecured, Considered Good)		
	Security Deposits at amortised cost - Considered good	20,000	5,60,000
	Employees Advances	30,000	5,000
	Interest Accrued on Fixed Deposits	4,32,166	12,40,189
		<b>4,82,166</b>	<b>18,05,189</b>
<b>14.</b>	<b><u>OTHER CURRENT ASSETS :</u></b>		
	Unsecured, Considered Good		
	Balances with Govt. Authorities	1,80,52,287	84,37,317
	Advances to vendors	4,52,792	4,03,867
	Prepaid Expenses	2,51,203	2,74,186
	Others	98,43,536	83,22,844

		<b>2,85,99,818</b>	<b>1,74,38,214</b>

<b>15.</b>	<b><u>EQUITY SHARE CAPITAL</u></b>			
<b>(i.)</b>	<b><u>AUTHORISED :</u></b>			
	2,00,00,000 ( 2,00,00,000) Equity Shares of Rs. 10/- (Rs.10/-) each	20,00,00,000	20,00,00,000	
		<b>20,00,00,000</b>	<b>20,00,00,000</b>	
<b>(ii.)</b>	<b><u>ISSUED, SUBSCRIBED AND FULLY PAID</u></b>			
	1,69,37,263 (1,69,37,263, ) Equity Shares of Rs.10/- each	16,93,72,630	16,93,72,630	
		<b>16,93,72,630</b>	<b>16,93,72,630</b>	
<b>(iii.)</b>	The reconciliation of the number of shares outstanding is set out below :			
	Equity Shares of Rs.10/- each at the beginning of the year	1,69,37,263	1,61,37,263	
	Add :Preferential Allotment of Equity Shares of Rs. 10/- each during the year	-	8,00,000	
	Equity Shares of Rs.10/- each at the end of the year	1,69,37,263	1,69,37,263	
<b>(iv.)</b>	The Company has only one class of equity share. These shares rank pari passu in all respects including voting rights, entitlement to dividend and distribution of assets of the Company in the event of liquidation.			
<b>(v.)</b>	<b><u>The details of Shareholders holding more than 5% shares -</u></b>			
	<b><u>Name of the Shareholder</u></b>	<b><u>No of Shares</u></b>	<b><u>%</u></b>	<b><u>No of Shares</u></b>
				<b><u>%</u></b>
	Jayesh R. Mehta	43,92,091	25.93%	43,92,091
	Amita J. Mehta	10,52,021	6.21%	27,59,626
				16.29%
<b>(vi.)</b>	<b><u>The details of Shareholding of Promoters</u></b>			
	<b>Shares held by Promoters at the end of the year</b>			
	<b>Name of Promoter</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% change during the year</b>
	Jayesh R. Mehta	43,92,091	25.93%	-
	Amita J. Mehta	10,52,021	6.21%	61.88%
	Prerna Karan Khanna	67,000	0.40%	-
	Chandni Chintan Bhagat	62,500	0.37%	-
	J.R. Texmachtrade Pvt Ltd	4,22,212	2.49%	-
	<b>Total</b>	<b>59,95,824</b>	<b>35.40%</b>	

<b>(vii.) Shares held by Promoters at the end of the year As at 31-03-2022.</b>				
	<b>Name of Promoters</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% change during the year</b>
	Jayesh R. Mehta	43,92,091	25.93%	4.77%
	Amita J. Mehta	27,59,626	16.29%	-
	Prerna Karan Khanna	67,000	0.40%	-
	Chandni Chintan Bhagat	62,500	0.37%	-
	J.R. Texmachtrade Pvt Ltd	4,22,212	2.49%	-
	<b>Total</b>	<b>77,03,429</b>	<b>46.50%</b>	
<b>(viii.)</b>	During the previous year, the Company had issued 8,00,000 equity shares of Rs. 10/- each at a premium of Rs. 40/- per share on preferential basis to raise funds for its new Technical Textile project at Malegaon. The allotment of these shares was made on 25-3-2022. The Company has utilised the funds raised through the preferential issue for the project upon receiving regulatory approvals during the year.			

<b>16.</b>	<b><u>OTHER EQUITY</u></b>		
<b>i)</b>	<b><u>Reserves &amp; Surplus</u></b>		
<b>a)</b>	<b><u>Securities Premium</u></b>		
	Opening Balance	5,08,31,403	1,88,31,403
	Add : Received on Preferential Allotment of Equity Shares	-	3,20,00,000
	Closing Balance	<b>5,08,31,403</b>	<b>5,08,31,403</b>
<b>b)</b>	<b><u>Retained Earnings</u></b>		
	Opening Balance	4,37,03,900	2,61,04,655
	Add : Profit for the year	2,30,36,519	1,74,99,387
	Add : Transferred from other Comprehensive Income	(1,10,206)	99,858
	Closing Balance	<b>6,66,30,212</b>	<b>4,37,03,900</b>
<b>ii)</b>	<b><u>Other Comprehensive Income</u></b>		
	Opening Balance	-	99,858
	Add/(Less) : Remeasurement of defined benefit plans	(1,10,206)	-
	Add/(Less) : Transferred to Retained Earnings	1,10,206	(99,858)
	Closing Balance	-	-

		<b>11,74,61,615</b>	<b>9,45,35,303</b>
<b>17. NON-CURRENT BORROWINGS</b>			
<b><u>Secured :</u></b>			
From Bank		5,86,87,533	-
<b><u>Unsecured :</u></b>			
From Corporate		87,50,000	2,09,50,000
From Director		5,30,53,751	-
		<b>12,04,91,284</b>	<b>2,09,50,000</b>
<b>i.</b>	Term Loan from ICICI Bank is secured by way of mortgage of immoveable Fixed Assets such as Plot of Land in Malegaon & Daman, office Premises in Mumbai and hypothecation of capital assets at Malegaon, pledge of bank fixed deposits and assignment of Life Insurance Policies as well as personal guarantees of director and his relatives. Term Loan from is repayable in 72 equal monthly installments starting from November, 2023. The rate of interest is sum of the prevailing repo rate plus spread of 4.25% which is to paid from the date of disbursement monthly. The applicable rate of interest as on 31 <sup>st</sup> March, 2023 was 10.75%.		
<b>ii.</b>	Unsecured loan taken from a company at interest rate of 7% p.a. repayable in equated quarterly installments of Rs.25 lakhs commencing from March, 2027. Interest payment is on annual basis. The Company has prepaid part of the loan during the year.		
<b>iii.</b>	Interest free unsecured loan taken from a Director for six years repayable in December, 2028 with early repayment option at the discretion of the Company.		
<b>18. NON-CURRENT LEASE LIABILITIES</b>			
Lease Liabilities		3,67,56,974	4,28,71,219
		<b>3,67,56,974</b>	<b>4,28,71,219</b>
<b>(a)</b>	<b><u>The following is the movement in lease liabilities during the year ended March 31, 2022</u></b>		
<b>Balance as at beginning</b>		4,77,20,784	5,45,93,193
Additions		42,69,233	97,83,802
Deletions(on cancellation of leases)		47,49,811	1,15,11,709
Finance cost accrued during the period		29,64,108	35,57,255
Payment of lease liabilities		(77,16,505)	(87,01,757)
<b>Balance at the end</b>		<b>4,24,87,810</b>	<b>4,77,20,784</b>
	Rental expenses recorded for short-term operating leases was Rs.1,80,000/- for the year ended 31st March, 2023 (2022 :Rs.3,32,000/- )		
<b>(b)</b>	<b>Maturity analysis of lease liabilities</b>		
	<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year		83,27,647	77,45,250

	One to five years	2,23,82,932	3,07,46,400
	More than five years	2,62,92,090	2,71,58,940
	<b>Total undiscounted lease liabilities at 31 March</b>	<b>5,70,02,668</b>	<b>6,56,50,590</b>
	Lease liabilities included in the statement of financial position at 31 March	<b>4,24,87,810</b>	<b>4,77,20,784</b>
	Current	57,30,830	48,49,565
	Non-Current	3,67,56,975	4,28,71,219
<b>(c)</b>	The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.		
<b>19.</b>	<b><u>OTHER NON- CURRENT LIABILITIES</u></b>		
	Security Deposits (at amortised cost)	3,15,147	-
		<b>3,15,147</b>	-
<b>20.</b>	<b><u>PROVISIONS</u></b>		
	For Gratuity	3,39,295	-
		<b>3,39,295</b>	-
<b>21.</b>	<b><u>SHORT TERM BORROWINGS</u></b>		
	<b><u>Secured Overdraft</u></b>		
	From Banks	1,79,09,394	24,83,888
	(Secured by way of pledge of fixed deposits at the interest rate of 7.50% p.a.)		
	<b><u>Unsecured Loan from Related Party</u></b>		
	From Director	2,94,57,500	1,03,57,500
	<b><u>Term Loan</u></b>		
	Current Maturity of Long-term borrowings	43,79,659	-
		<b>5,17,46,553</b>	<b>1,28,41,388</b>
<b>22.</b>	<b><u>CURRENT LEASE LIABILITIES</u></b>		
	Lease Liabilities (Refer note No. 18)	57,30,830	48,49,565
		<b>57,30,830</b>	<b>48,49,565</b>



<b>23.</b>	<b><u>TRADE PAYABLES</u></b>		
	Total outstanding dues of micro enterprises & small enterprises	-	99,900
	Total outstanding dues of creditors other than micro enterprises & small enterprises	2,70,63,738	2,99,79,049
		<b>2,70,63,738</b>	<b>3,00,78,949</b>
	(Refer Note No. 44 for additional information under The MSMED Act 2006)		

**23.1 Trade Payables ageing schedule -**

	Particulars	Outstanding for following periods from due date of payment - As at 31-03-2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i.	MSME	-	-	-	-	-
ii.	Others	2,59,60,002	-	11,03,736	-	2,70,63,738
iii.	Disputed Dues - MSME					-
iv.	Disputed Dues - Others					-
	<b>Total :-</b>	<b>2,59,60,002</b>	<b>-</b>	<b>11,03,736</b>	<b>-</b>	<b>2,70,63,738</b>
	Particulars	Outstanding for following periods from due date of payment - As at 31-03-2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i.	MSME	99,900	-	-	-	99,900
ii.	Others	2,77,38,009	13,99,154	4,05,147	4,36,739	2,99,79,049
iii.	Disputed Dues - MSME	-	-	-	-	-
iv.	Disputed Dues - Others	-	-	-	-	-
	<b>Total :-</b>	<b>2,78,37,909</b>	<b>13,99,154</b>	<b>4,05,147</b>	<b>4,36,739</b>	<b>3,00,78,949</b>

<b>24.</b>	<b><u>OTHER CURRENT FINANCIAL LIABILITIES</u></b>		
	Creditors for capital goods	4,72,07,737	3,19,686
	Bank balance (as per books)	-	70,08,706
		<b>4,72,07,737</b>	<b>73,28,392</b>
<b>25.</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Advances received from customers	11,40,593	15,93,526
	Statutory Dues payable	24,28,200	21,22,746

	Others	59,045	-
		<b>36,27,838</b>	<b>37,16,272</b>
<b>26.</b>	<b><u>CURRENT TAX LIABILITIES</u></b>		
	Income-tax Liabilities	24,63,368	64,334
		<b>24,63,368</b>	<b>64,334</b>
<b>27.</b>	<b><u>REVENUE FROM OPERATIONS</u></b>		
	Sales of Products	57,16,38,960	1,72,93,63,887
	Sales of Services	2,46,87,699	1,25,33,250
		<b>59,63,26,659</b>	<b>1,74,18,97,137</b>
<b>i.</b>	<b><u>PARTICULARS OF SALE OF PRODUCTS</u></b>		
	Textile Goods	12,07,66,069	8,50,79,419
	Plastic Moulded Goods	1,70,76,707	1,68,43,854
	Tools	43,37,96,184	1,59,02,26,259
	Cables	-	3,72,14,355
		<b>57,16,38,960</b>	<b>1,72,93,63,887</b>
<b>ii.</b>	<b><u>PARTICULARS OF SALE OF PRODUCTS</u></b>		
	Jobwork services	2,21,67,199	1,25,33,250
	Service Charges	3,20,500	-
	Commission Income	22,00,000	-
		<b>2,46,87,699</b>	<b>1,25,33,250</b>
<b>28.</b>	<b><u>OTHER INCOME</u></b>		
	Interest Income :		
	on Bank Fixed Deposits	42,10,072	30,23,338
	on Income tax refund	39,400	1,10,544
	on unwinding	1,80,657	1,51,475
	on Others	86,857	1,12,296
	Profit on sale of Property, Plant & Equipment & Capital Work-in-progress (Net)	21,84,374	55,13,919
	Changes in FV of Equity Instruments through	3,05,984	14,66,876

	P&L		
	Foreign Exchange gains - (Net)	-	3,546
	Profit from dealing in Securities Derivatives	-	19,79,822
	Dividend on FVTPL Investments	1,91,180	40,300
	Cancellation of lease	-	20,21,024
	Rental Income	7,09,845	-
	Subsidy from State Government	63,27,333	5,92,343
	Miscellaneous Income	9,73,500	9,24,000
	Sundry Balances Written off	9,15,090	-
	Discounting of Financial Liability	2,61,08,721	-
		<b>4,22,33,013</b>	<b>1,59,39,483</b>
<b>29.</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Opening Stock	75,51,987	50,72,079
	Add :- Purchases	9,63,19,112	6,36,41,494
	Less :- Closing Stock (including goods-in-transit)	1,35,65,084	75,51,987
		<b>9,03,06,015</b>	<b>6,11,61,586</b>
<b>i.</b>	<b><u>PARTICULARS OF MATERIALS CONSUMED</u></b>		
	<b><u>Indigenous Materials</u></b>		
	Yarn	7,71,40,808	4,61,26,161
	PP	1,31,65,207	1,50,35,426
	Total Indigenous	<b>9,03,06,015</b>	<b>6,11,61,586</b>
	<b><u>Imported</u></b>	-	-
		<b>9,03,06,015</b>	<b>6,11,61,586</b>
<b>30.</b>	<b><u>PARTICULARS OF PURCHASES OF STOCK-IN-TRADE</u></b>		
	Tools - Local	42,07,82,320	1,54,25,19,501
	Cables - Local	-	3,58,14,592
		<b>42,07,82,320</b>	<b>1,57,83,34,093</b>
<b>31.</b>	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-TRADE</u></b>		
	<b>Opening Stock :</b>		

	Stock-in-trade	38,698	38,698
	Finished Goods	37,82,632	57,14,571
		<b>38,21,330</b>	<b>57,53,269</b>
	<b>Closing Stock :</b>		
	Stock-in-trade	-	38,698
	Finished Goods	46,79,508	37,82,632
		46,79,508	38,21,330
		<b>(8,58,178)</b>	<b>19,31,939</b>
<b>32.</b>	<b><u>MANUFACTURING EXPENSES</u></b>		
	Stores, Spares and Packing Materials	46,37,590	42,53,587
	Labour & Processing Charges	20,96,271	20,34,186
	Power & Fuel	1,43,55,576	96,41,470
	Transportation Charges	8,02,651	9,24,646
	Other Manufacturing Expenses	28,45,327	30,84,559
		<b>2,47,37,415</b>	<b>1,99,38,449</b>
<b>33.</b>	<b><u>EMPLOYEE BENEFITS EXPENSES</u></b>		
	Salaries, Wages, Bonus etc.	3,98,14,252	3,41,50,710
	Contribution to Provident Fund and other funds	15,86,936	8,37,756
	Employees Welfare Expenses	11,16,430	3,45,341
		<b>4,25,17,618</b>	<b>3,53,33,807</b>
<b>34.</b>	<b><u>FINANCE COSTS</u></b>		
	Interest Expenses	12,28,849	11,65,010
	Interest on Lease Liabilities	29,64,108	35,57,255
	Interest on Financial Liability	9,21,188	-
		<b>51,14,144</b>	<b>47,22,265</b>
<b>35.</b>	<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
	Bank Charges	42,339	6,857
	Clearing, Forwarding & Freight	6,19,050	8,45,575
	Commission & Brokerage	18,040	25,75,400

Travelling & Conveyance	9,03,299	14,47,764
Telephone, Postage & Telegram	2,21,341	1,55,822
Sampling, Sales Promotion & Advertisement	3,26,757	4,87,797
Insurance	2,36,243	3,16,862
Legal & Professional Charges	9,71,430	9,03,397
Rent	4,03,029	5,31,613
Rates & taxes	1,15,000	1,21,000
Repairs - Others	12,92,286	26,84,745
General Expenses	21,16,255	19,28,316
Payment to Auditors	3,05,500	2,63,000
Securities Transaction Tax	-	975
Loss on sale of FVTPL Investments	-	57,749
Business Loss/ Sundry Balances written off	-	22,54,711
Loss on Assets discarded	90,218	-
Allowance for bad & doubtful debts	8,90,648	9,71,084
Loss from dealing in Securities Derivatives	38,11,318	-
Foreign Exchange Loss - (Net)	38,17,943	-
Cancellation /modification of lease	5,00,802	-
Demerger Expenses Written off	-	1,97,580
	<b>1,66,81,497</b>	<b>1,57,50,247</b>

<b>36. TAX EXPENSE</b>		
<b>(a) Income tax</b>		
Tax on profits for the year	4,016,758	4,174,657
Tax for prior periods	112,110	1,653
Recognised in Other Comprehensive Income	(42,476)	38,488
<b>Total income tax</b>	<b>4,086,392</b>	<b>4,214,798</b>
<b>(b) Deferred tax</b>		
Decrease / (Increase) in deferred tax assets	(3,405,145)	1,612,346
(Decrease) / Increase in deferred tax liabilities	(688,706)	1,109,580
<b>Total deferred tax expense/(benefit)</b>	<b>(4,093,851)</b>	<b>2,721,926</b>
<b>Total Tax Expense</b>	<b>(7,460)</b>	<b>6,936,723</b>
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate :</b>		
<b>Profit before income tax expenses</b>	<b>23,071,535</b>	<b>24,398,459</b>
<b>Tax at the rate of 27.82% (2022 - 27.82%)</b>	<b>6,418,501</b>	<b>6,787,651</b>

	Tax effect of amounts which are not deductible :	810,797	94,950
	Tax effect of amounts which are not taxable :	(7,375,143)	(63,224)
	Difference in tax on capital loss/(gain) on securities	(92,565)	(244,851)
	Tax effect on Adjustment related to Rental Income :	(54,435)	-
	Tax effect on actuarial gain/(loss) on defined benefit plan	42,476	38,488
	Tax adjustments for prior periods/changes in tax rates	242,910	323,710
	<b>Total Tax Expenses</b>	<b>(7,460)</b>	<b>6,936,724</b>
<b>37. Earnings per Share :- Basic and Diluted (annualised)</b>			
a)	Profit after tax	23,036,519	17,499,387
b)	Weighted Average Number of Equity shares outstanding	16,937,263	16,152,605
c)	The nominal value per Equity Share	10	10
d)	Earnings per Share –Basic & Diluted	1.36	1.08

**38. FAIR VALUE MEASUREMENTS****(a) Financial instruments by category**

	As at 31-03-2023		As at 31-03-2022	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial Assets</b>				
Investment				
Equity instrument	76,97,025	-	73,91,040	-
Trade receivables	-	2,15,95,892	-	1,79,64,907
Bank Deposits	-	15,28,949	-	2,21,45,623
Cash & Cash Equivalents	-	4,11,07,173	-	1,63,39,792
Other Bank balances	-	5,07,60,688	-	10,29,46,509
Security Deposits	-	29,89,097	-	30,83,151
Other Receivables	-	4,62,166	-	12,45,189
<b>Total Financial Assets</b>	<b>76,97,025</b>	<b>11,84,43,965</b>	<b>73,91,040</b>	<b>16,37,25,171</b>
<b>Financial Liabilities</b>				
Borrowings	-	17,22,37,837	-	3,37,91,388
Trade payables	-	2,70,63,738	-	3,00,78,949
Creditors for capital goods	-	4,72,07,737	-	3,19,686
Lease Liabilities	-	4,24,87,804	-	4,77,20,783
Security Deposits	-	3,15,147	-	-
Others	-	-	-	70,08,706

<b>Total Financial Liability</b>	-	<b>28,93,12,263</b>	-	<b>11,89,19,513</b>		
<b>(b) Financial Assets and Liabilities measured at fair value - recurring fair value measurements.</b>						
	<b>As at 31-03-2023</b>			<b>As at 31-03-2022</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>						
Financial instrument at FVTPL	76,97,025	-	-	73,91,040	-	-
Total Financial Assets	76,97,025	-	-	73,91,040	-	-

**(c) Fair value hierarchy****i. Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31-03-2023:**

	Fair value measurement using				
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	Total
<b>Financial Assets</b>					
Equity instruments measured at FVTPL	31-03-2023	76,97,025	-	-	76,97,025
<b>Financial Assets at amortised cost</b>					
Trade Receivables	31-03-2023	-	2,15,95,892	-	2,15,95,892
Bank Deposits	31-03-2023	-	15,28,949	-	15,28,949
Cash & Cash Equivalents	31-03-2023	-	4,11,07,173	-	4,11,07,173
Other Bank Balances	31-03-2023	-	5,07,60,688	-	5,07,60,688
Security Deposits	31-03-2023	-	29,89,097	-	29,89,097
Other Receivables	31-03-2023	-	4,62,166	-	4,62,166
<b>Financial Liabilities at amortised cost</b>					
Trade payable	31-03-2023	-	2,70,63,738	-	2,70,63,738
Creditors for capital expenditure	31-03-2023	-	4,72,07,737	-	4,72,07,737
<b>Other Financial liabilities</b>					
Borrowings	31-03-2023	-	17,22,37,837	-	17,22,37,837

Lease Liabilities	31-03-2023	-	4,24,87,804	-	4,24,87,804
Security Deposits	31-03-2023	-	3,15,147	-	3,15,147

**ii. Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31-03-2022:**

	Fair value measurement using				
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	Total
<b>Financial Assets</b>					
Equity instruments measured at FVTPL	31-03-2022	73,91,040	-	-	73,91,040
<b>Financial Assets at amortised cost</b>					
Trade Receivables	31-03-2022		1,79,64,907		1,79,64,907
Bank Deposits	31-03-2022		2,21,45,623		2,21,45,623
Cash & Cash Equivalents	31-03-2022		1,63,39,792		1,63,39,792
Other Bank Balances	31-03-2022		10,29,46,509		10,29,46,509
Security Deposits	31-03-2022		30,83,151		30,83,151
Other Receivables	31-03-2022		12,45,189		12,45,189
<b>Financial Liabilities at amortised cost</b>					
Trade payable	31-03-2022		3,00,78,949		3,00,78,949
Creditors for capital expenditure	31-03-2022		3,19,686		3,19,686
<b>Other Financial liabilities</b>					
Borrowings	31-03-2022		3,37,91,388		3,37,91,388
Lease Liabilities	31-03-2022		4,77,20,783		4,77,20,783
Others	31-03-2022		70,08,706		70,08,706

**Level 1:** Level 1 hierarchy includes Financial Instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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



**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

### 39. Financial Risk Management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Company's risk management is carried out by chief financial officer under policies approved by the Board of Directors. Company's chief financial officer identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity. The risk management includes identification, evaluation and identifying the best possible option to reduce such risk. The Board has taken all necessary actions to mitigate the risks identified on the basis of the information and situation present.

#### A. Market Risk

##### (i) Foreign Currency Risk

Foreign currency risk arises from future commercial transactions and recognized assets or liabilities denominated in a currency that is not the Company's functional currency (INR). This is closely monitored by the Management to decide on the requirement of hedging. The position of unhedged foreign currency exposure to the Company as at the end of the year expressed in INR are as follows :

Currency	31-03-2023 Asset (Receivable)	31-03-2022 Asset (Receivable)	31-03-2023 Liability (Payable)	31-03- 2022 Liability (Payable)	31-03-2023 Net Receivable/ (Payable)	31-03-2022 Net Receivable/ (Payable)
Euro	-	1,53,96,059	4,93,60,961	-	(4,93,60,961)	1,53,96,059
Exposure to foreign currency risk	-	1,53,96,059	4,93,60,961	-	(4,93,60,961)	1,53,96,059

#### **Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

#### **Impact on profit Increase/(Decrease)**

	March 31, 2023	March 31, 2022
<b>EURO sensitivity</b>		
INR/EURO Increases by 5%	-24,68,048	7,69,803
INR/EURO Decreases by 5%	24,68,048	(7,69,803)
Holding all other variables constant.		

**(ii) Interest Rate Risk**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period depends on the mixed of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The Company has fixed rate as well as floating rate of interest borrowings and therefore is exposed to interest rate risk.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	31-03-2023	31-03-2022
Fixed rate borrowings - OD / Unsecured Loan	2,66,59,394	2,34,33,888
Floating rate borrowings - TL	6,30,67,192	-
Total borrowings	8,97,26,586	2,34,33,888

**(iii) Price Risk**

The Company's exposure to equity securities price risk arises from investments held by the Company in listed securities and classified in the balance sheet as at fair value through profit or loss.

	Impact on profit Increase/(Decrease)	
	March 31, 2023	March 31, 2022
<b>Price sensitivity</b>		
Investment value Increases by 5%	3,84,851	3,69,552
Investment value Decreases by 5%	(3,84,851)	(3,69,552)

**B. Credit Risk**

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore, is not exposed to any credit risk. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

**C. Liquidity Risk**

The Company has sufficient cash and cash equivalent and other liquid current financial assets which can be easily realised in cash or cash equivalent in short time. Therefore there is no

significant liquidity risk.

**(i) Maturities of Financial Liabilities**

The tables below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative Financial Liabilities.

**Contractual maturities of Financial Liabilities:**

	<b>Not later than 1 year</b>	<b>Between 1 to 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
<b>31-03-2023</b>				
<b>Non-derivatives</b>				
Borrowings	5,17,46,553	87,50,000	11,17,41,284	17,22,37,837
Trade Payables	2,70,63,738	-	-	2,70,63,738
Lease Liabilities	57,30,830	1,48,41,806	2,19,15,169	4,24,87,805
Creditors for capital goods	4,72,07,737	-	-	4,72,07,737
Security Deposit	3,15,147	-	-	3,15,147
	<b>13,20,64,006</b>	<b>2,35,91,806</b>	<b>13,36,56,453</b>	<b>28,93,12,264</b>
<b>31-03-2022</b>				
<b>Non-derivatives</b>				
Borrowings	1,28,41,388	-	2,09,50,000	3,37,91,388
Trade Payables	3,00,78,949	-	-	3,00,78,949
Lease Liabilities	48,49,565	2,01,26,571	2,27,44,648	4,77,20,784
Creditors for capital goods	3,19,686	-	-	3,19,686
Other Financial Liabilities	70,08,706	-	-	70,08,706
	<b>5,50,98,294</b>	<b>2,01,26,571</b>	<b>4,36,94,648</b>	<b>11,89,19,513</b>

**40. Capital Management**

For the purpose of the Company's capital management, equity includes issued equity capital, Securities Premium and retained earnings attributable to the equity shareholders of the company. The primary objective of the Company's capital management is to maximise the shareholders value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company's policy is to keep debt equity ratio at the minimum and infuse capital if and when it is required through issue of new shares and/or better operational results and efficient working capital management.

In order to achieve the aforesaid objectives, the Company has financed capex through internal accruals for new expansion projects in last two to three years. However, modernization, upgradation and continued marginal expansions have been to remain competitive and improve product quality through efficient machinery. There is constant endeavour to avoid debt as much as feasible and practical by improving operational and working capital management so that the debt-equity ratio remains less than 1.

The Company is setting up a new project at Malegaon for manufacturing Technical Textiles goods. The project is financed through funds raised through private placement of equity shares by way of preferential issue, term loan from bank, debt by way of inter corporate deposits and by promoters and internal accruals.

**Debt-to-equity ratio are as follows:**

	31-03-2023	31-03-2022
Debt (A)	17,22,37,837	3,37,91,388
Equity (B)	28,68,34,245	26,39,07,933
Debt/Equity (A/B)	0.60	0.13

41.	<b>Lease</b>		
(i)	<b>Amounts recognised in statement of profit or loss</b>		
		<b>Rupees</b>	
	<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
	<b><u>Debited to Statement of Profit &amp; Loss</u></b>		
	Interest on lease liabilities	29,64,108	35,57,255
	Expenses relating to short-term leases	1,80,000	3,32,000
	Depreciation on Right of Use Assets	72,50,411	76,96,867

	Cancellation/modification of lease	5,00,802	-
	<b>Credited to Statement of Profit &amp; Loss</b>		
	Rental income from operating lease	7,09,845	-
	Cancellation of lease	-	20,21,024
(ii)	<b>Amounts recognised in the statement of cash flows</b>		
			<b>Rupees</b>
	<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
	Total cash outflow for payment of lease liabilities	77,16,505	87,01,757
	Total cash outflow for payment for Right of Use assets	4,06,317	1,44,99,665

**42. Capital Commitments**

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	4,11,06,067	19,49,74,556

**43. Movement in Deferred Tax Assets / (Liability)**

Particulars	As on 31-03-2021	Charge/ (Credit) to Statement of P&L 2021-22	Charge/ (Credit) to OCI 2021-22	As on 31-03-2022	Charge/ (Credit) to Statement of P&L 2022-23	Charge/ (Credit) to OCI 2022-23	As on 31-03-2023
<b>Deferred Tax Assets</b>							
Expenses allowable on payment basis under Tax Laws	1,79,081	69,615	-	2,48,696	3,08,961	-	5,57,657
Unabsorbed Depreciation	6,70,528	(6,70,528)	-	-	-	-	-
Changes in FV of Investments	1,41,466	(3,04,700)	-	(1,63,234)	1,01,524	-	(61,710)
Unused losses	4,92,455	50,538	-	5,42,993	(0)	-	5,42,993
Doubtful debts	6,15,657	3,13,252	-	9,28,909	2,47,779	-	11,76,688
Lease Liabilities	14,40,696	(1,98,480)	-	12,42,216	2,34,017	-	14,76,233
MAT credit entitlement	27,74,248	(11,77,576)	-	15,96,672	26,14,389	-	42,11,061
	<b>63,14,132</b>	<b>(19,17,880)</b>	<b>-</b>	<b>43,96,252</b>	<b>35,06,669</b>	<b>-</b>	<b>79,02,921</b>

<b>Deferred Tax Liability</b>							
Timing difference on account of depreciation	66,97,476	8,78,592	-	75,76,068	(4,58,247)	-	71,17,821
Unrealised Gain (ICDS)	4,14,181	(73,711)		3,40,470	(1,28,935)	-	2,11,535
	<b>71,11,657</b>	<b>8,04,881</b>	<b>-</b>	<b>79,16,538</b>	<b>(5,87,182)</b>	<b>-</b>	<b>73,29,356</b>
<b>Net Deferred Tax Assets / (Liability)</b>	<b>(7,97,525)</b>	<b>(27,22,761)</b>	<b>-</b>	<b>(35,20,286)</b>	<b>40,93,851</b>	<b>-</b>	<b>5,73,565</b>

44. Additional information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 in respect of amount outstanding to Micro and Small Enterprises based on the information available with the Company are given below :-

	<b>31-3-2023</b>	<b>31-3-2022</b>
<b>i.</b> Principal amount remaining unpaid on	Nil	99,900
<b>ii.</b> Interest due thereon as on	Nil	Nil
<b>iii.</b> Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
<b>iv.</b> Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
<b>v.</b> Interest accrued and remaining unpaid as at	Nil	Nil
<b>vi.</b> Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

#### **45. Value Of Stores, Spares & Packing Materials Consumed**

	<b>2022-23</b>		<b>2021-22</b>	
	<b>Rs.</b>	<b>%</b>	<b>Rs.</b>	<b>%</b>
Imported	2,99,667	6.46	0	0
Indigenous	43,37,923	93.54	42,53,587	100.00
	<b>46,37,590</b>	<b>100.00</b>	<b>42,53,587</b>	<b>100.00</b>

#### **46. Value Of Imports On CIF Basis**

	<b>2022-23</b>	<b>2021-22</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Mould	Nil	13,39,002
Raw Material	27,87,652	Nil
Machinery	7,66,23,617	Nil
Spares	2,92,950	Nil

47. Disclosures as per IND AS-19, “Employee Benefits” are given below :

**(i) Short Term Employee Benefits**

- I. The Company has provided for bonus amounting to Rs.15,10,356 /- (Previous year Rs. 12,21,727/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit and Loss for the year.
- II. During the year the company has recognized Leave Salary amounting to Rs.5,02,692/- (Previous year Rs.4,63,647/-) in the Statement of Profit and Loss on payment basis.
- III. During the year the company has made contribution to Employees State Insurance Scheme amounting to Rs.2,35,071/- (Previous year Rs.1,39,236/-) which has been recognized in the Statement of Profit and Loss.

**(ii) Long Term Employee Benefits**

The Company has classified the various Long Term Employee Benefits as under:-

**I. Defined Contribution Plans**

- (a) Contribution to Provident Fund
- (b) Contribution to Pension Scheme

During the year, the Company has recognized the following amounts as expenses in the Statement of Profit and Loss –

S. No.		2022-23 Rs.	2021-22 Rs.
(a)	Contribution to Provident Fund	4,23,626	2,40,402
(b)	Contribution to Pension Scheme	8,17,846	4,03,634

**II. Defined Benefit Plan**

The Employees Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Valuation in respect of gratuity have been carried out by an independent actuary as at the Balance Sheet date, based on the following assumptions:-

<b>1. Assumption</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Discount Rate	7 %	7 %
Salary Escalation	5 %	5 %
<b>2. Changes in the Present Value of Obligation</b>		
Present value of obligations as at beginning of year.	3,47,760	4,38,108
Interest cost	24,343	30,668
Current Service Cost	13,867	17,330
Benefits Paid	(1,27,644)	Nil
Actuarial (gain)/ loss on obligations	1,52,682	(1,38,346)
Present Value of Obligations as at Year end	4,11,008	3,47,760
<b>3. Changes in the Fair Value of Plan Assets</b>		
Fair value of plan assets at beginning of year	9,67,631	9,01,073
Expected return on plan assets	64,629	66,249
Contributions	NIL	309
Benefits Paid	1,27,644	NIL
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair Value of Plan Assets at Year end	9,04,616	9,67,631
<b>4. Fair value of Plan Assets</b>		
Fair value of plan assets at beginning of year	9,67,631	9,01,073
Actual return on plan assets	64,629	66,249
Contributions	NIL	309
Benefits Paid	1,27,644	NIL
Fair value of plan assets at the end of year	9,04,616	9,67,631
Funded status	4,93,608	6,19,871
Excess of Actual over estimated return on plan assets	Nil	Nil
Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
<b>5. Actuarial Gain/Loss recognized</b>		
Actuarial (gain)/ loss on obligations	1,52,682	(1,38,346)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Total (gain)/ loss for the year	1,52,682	(1,38,346)
Actuarial (gain)/ loss recognized in the year	1,52,682	(1,38,346)
<b>6. Amounts Recognized in the Balance Sheet</b>		
Present value of obligations as at the end of year	4,11,008	3,47,760
Fair value of plan assets as at the end of the year	9,04,616	9,67,631
Funded status	4,93,608	6,19,871
Net asset/(liability) recognized in balance sheet	4,93,608	6,19,871
<b>7. Expenses Recognised in the Profit and Loss Account</b>		
Current Service cost	13,867	17,330
Interest Cost	24,343	30,668
Expected return on plan assets	(64,629)	(66,249)
Net Actuarial (gain)/ loss recognized in the year	1,52,682	(1,38,346)
Expenses recognised in statement of Profit and loss Account	1,26,263	(1,56,597)



**48. Segment Reporting**

The Company has disclosed and reported Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organizational structure and internal reporting system. Accordingly the company has identified Textile Division, Plastics Division, Trading Division and Technical Textiles Division as the main business segments as per the IND AS on "Operating Segments" (IND AS-108) issued by The Institute of Chartered Accountants of India.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The income & expenses, which are not directly relatable to the business segment, are shown as unallocated corporate costs net of unallocable income. Similarly Assets and Liabilities that cannot be allocated between segments are shown as unallocated corporate assets and liabilities respectively.

		<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2023</b>	<b>31-03-2022</b>
<b>1. Segment Revenue</b>			
a. Textile Division		12,29,66,069	8,50,79,419
b. Plastic Division		3,95,64,407	2,93,77,104
c. Trading Division		43,37,96,184	1,62,74,40,614
d. Technical Textiles Division		Nil	Nil
<b>Total</b>		<b>59,63,26,659</b>	<b>1,74,18,97,137</b>
<b>Less : Inter Segment Revenue</b>		-	-
<b>Net Sales/Income from Operations</b>		<b>59,63,26,659</b>	<b>1,74,18,97,137</b>
<b>2. Segment Results</b>			
<b>Profit/(loss) before Tax and Interest</b>			
a. Textile Division		18,76,545	(34,54,570)
b. Plastic Division		(17,70,170)	(97,39,284)
c. Trading Division		1,23,18,143	4,64,40,130
d. Technical Textiles Division		(39,25,827)	Nil
<b>Total</b>		<b>84,98,691</b>	<b>3,32,46,276</b>
<b>Less : (i) Interest</b>		21,07,915	11,65,010
<b>(ii) (Profit)/Loss from dealings in securities derivatives</b>		38,11,318	(19,79,822)
<b>(iii) Other un-allocable expenditure net off un-allocable income</b>		(2,04,92,077)	96,62,631
<b>Total Profit Before Tax</b>		<b>2,30,71,535</b>	<b>2,43,98,459</b>
<b>3. Capital Employed</b>			
<b>Segment Assets</b>			
a. Textile Division		7,09,18,797	7,14,53,394
b. Plastic Division		11,98,09,892	10,81,82,785

c.	Trading Division	5,09,957	15,31,661
d.	Technical Textiles Division	33,14,38,207	12,63,81,392
e.	Unallocable	5,99,00,156	8,25,79,106
	<b>Total Segment Assets</b>	<b>58,25,77,009</b>	<b>39,01,28,338</b>
	<b>Segment Liabilities</b>		
a.	Textile Division	2,35,98,751	1,58,46,923
b.	Plastic Division	4,05,81,429	4,14,34,287
c.	Trading Division	11,03,736	1,74,95,079
d.	Technical Textiles Division	20,24,35,040	3,04,68,567
e.	Unallocable	2,80,23,807	2,09,75,547
	<b>Total Segment Liabilities</b>	<b>29,57,42,763</b>	<b>12,62,20,402</b>
	<b>Total Capital Employed in the Company</b>	<b>28,68,34,246</b>	<b>26,39,07,936</b>

The Company is operating only in India and does not have any revenue from customers located outside India and hence there is no separate reportable Geographical Segment.

Revenue from major customers each having 10% of Company's revenue

Division	10% or more of Company's revenue	
	2022-23	2021-22
Trading Division	43,37,96,184	1,47,06,02,473

#### **49. Disclosure of Related Parties & Related Party Transactions**

**(a) Others (Enterprises over which, individual having indirect significant influence over the company, has significant influence) and with whom transactions have taken place during the year and/or where balances exist.**

- (i) Chandni Machines Limited.
- (ii) Humans of Bombay Stories Private Limited.

**(b) Key Management Personnel:**

- (i) Mr. Jayesh R.Mehta - Managing Director.
- (ii) Mr. Shailesh P. Sankav - Chief Financial Officer.
- (iii) Ms. Kirti Pathak - Company Secretary & Compliance Officer.

**(c) Other related parties:**

- (i) Mrs. Amita J.Mehta - Non - Executive Director
- (ii) Dr. Bharat Bhatia - Independent Director
- (iii) Mr. R.C. Garg - Independent Director
- (iv) Ms. Sharmila H. Amin - Independent Director
- (v) Mrs. Manasi Dave - Independent Director

**(d) Transactions during the year and Balance outstanding at the year end with related parties**

Nature of Transactions	Key-management Personnel		Non- Executive Directors / Relative of KMP		Companies/ Enterprises in which Management personnel have significant influence	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b><u>Purchase of goods/material</u></b>						
Chandni Machines Ltd.	-	-	-	-	-	4,34,373
<b><u>Purchase of capital assets</u></b>						
Chandni Machines Ltd.	-	-	-	-	25,000	-
<b><u>Payment of Lease Liability</u></b>						
Chandni Machines Ltd.	-	-	-	-	5,28,589	5,94,000
<b><u>Rent Received</u></b>						
Humans of Bombay Stories Private Limited	-	-	-	-	6,16,450	-
Chandni Machines Ltd.	-	-	-	-	83,871	-
<b><u>Compensation Received</u></b>						
Chandni Machines Ltd.	-	-	-	-	9,73,500	9,24,000
<b><u>Director Remuneration</u></b>						
Mr.J.R.Mehta	12,00,000	12,00,000	-	-	-	-

<b>Salary &amp; Bonus</b>						
Mr. Shailesh Sankav	7,93,000	7,47,500	-	-	-	-
Ms. Kirti Pathak	1,80,000	60,000	-	-	-	-
<b>Director Sitting Fees</b>						
Mrs. A.J. Mehta	-	-	20,000	35,000	-	-
Dr. Bharat Bhatia	-	-	40,000	55,000	-	-
Mr. R.C. Garg	-	-	40,000	55,000	-	-
Ms. Sharmila H. Amin	-	-	20,000	35,000	-	-
Mr. V.G. Joshi	-	-	Nil	25,000	-	-
Mrs. Mansi Dave	-	-	40,000	15,000	-	-
Mr. Richie Amin	-	-	Nil	15,000	-	-
<b>Loan Received</b>						
Mr. J. R. Mehta	2,01,00,000	3,65,07,500	-	-	-	-
Mrs. A.J. Mehta	7,82,50,000	Nil	-	-	-	-
<b>Loan Repaid</b>						
Mr. J. R. Mehta	10,00,000	3,07,50,000	-	-	-	-
<b>Outstanding at the year end:-</b>						
<b>i. Trade Receivable</b>						
Chandni Machines Ltd	-	-	-	-	3,60,392	-
Humans of Bombay Stories Private Ltd	-	-	-	-	1,40,400	-
<b>ii. Trade Payable</b>						
Mr. J. R. Mehta	Nil	2,37,936	-	-	-	-
<b>iii. Unsecured Loans</b>						
Mr. J. R. Mehta	2,94,57,500	1,03,57,500	-	-	-	-
Mrs. A.J. Mehta	7,82,50,000	Nil	-	-	-	-

**50. Additional Regulatory Information (to the extent applicable) as per MCA's Notification no. G.S.R. 207(E) dated 24-03-2021****a) Borrowings secured against current assets**

During the year, the company has availed overdraft facility against Bank Fixed Deposits. Further the Company has been sanctioned credit facilities in the form of cash credit facility against hypothecation of book debts and stock, term loans and derivatives (non fund based) limits against capital assets for its Malegaon project. However, the company is not required to file the quarterly returns or statements of current assets with banks since the company has not yet drawn any working capital on the basis of stock and book debts.

**b) Ratios**

Ratios	Numerator	Denominator	Current Year	Previous Year	Variation	Explanation for changes in ratio exceeding 25%
Current ratio (in times)	Total current assets	Total current liabilities	1.166	2.851	-59.09%	Ratio has deteriorated due to increase in current liabilities.
Debt-Equity ratio (in times)	Total debts	Shareholders' equity	0.600	0.128	368.97%	Increase in debt to equity ratio is attributable to increase borrowings for financing the new project.
Debt service coverage ratio (in times)	Net Operating Income	Total debt service (Interest + Lease payments)	5.748	4.446	29.30%	Lower debt service coverage ratio is on account of increased debt.
Return on equity ratio (in %)	Earning for equity shareholder	Average shareholders' equity	0.084	0.074	12.39%	
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	40.268	156.710	-74.30%	Ratio has deteriorated as there is more than 65.76 % decrease in Revenue over previous year

	Trade receivable turnover ratio (in times)	Revenue from operations	Average Trade receivable	30.147	10.249	194.14%	Reduction in average accounts receivable, reflecting faster collection of dues from debtors together with higher net credit sales is the reason for higher debtor turnover ratio.
	Trade payables turnover ratio (in times)	Total purchases	Average Trade payables	18.261	10.347	76.49%	Improvement in trade payable turnover ratio is attributable to higher credit purchases on the one hand and lower average trade payable on the other hand indicating quicker payment of dues to creditors
	Net capital turnover ratio (in times)	Revenue from operations	Average working capital	9.039	18.151	-50.20%	Ratio has deteriorated due to fall in revenue resulting in higher working capital requirement.
	Net profit ratio (in %)	Profit for the year	Revenue from operations	3.863	1.005	284.53%	Higher sales and better margin has contributed to improved net profit margin
	Return on capital employed (in %)	Profit before tax and finance costs	Capital Employed	6.389	9.748	-34.46%	Lower return on capital employed is on account

							of decrease in revenue resulting in lower profitability.
	Return on investment (in %)	Income generated from invested funds	Average invested funds	6.59	22.64	-70.89%	Ratio has deteriorated due to fall in value of securities on the stock exchange

**51. Payments To The Auditor**

		2022-23	2021-22
<b>(a)</b>	Debited to Statement of Profit & Loss		
	(i) As Audit Fees	2,55,500	2,55,500
	(ii) For Certification work	50,000	7,500
<b>(b)</b>	Debited to Pre-operative expenses		
	(i) For Certification work	Nil	85,000
		<b>3,05,500</b>	<b>3,48,000</b>

52. The Company has imported capital goods and raw materials for its Technical Textile Project at Malegaon, Maharashtra under the Manufacturing and Other Operations in a Custom Bonded Warehouse (MOOWR) Scheme (**'the Scheme'**) of the Central Government of India. Under the Scheme, the custom duties on imported capital goods of **Rs.2,24,50,632/-** and raw materials of Rs.7,81,591/- are deferred till their clearance from the bonded warehouse.

The custom duty deferred on imported raw materials under the Scheme shall become payable on clearance of the finished goods manufactured by using imported raw materials. Accordingly, the Company has provided for the liability towards payment of deferred custom duty of Rs.7,81,591/- on imported raw materials. The management of the Company does not have any plan to export or remove the imported capital goods in future and hence, no liability is provided towards payment of deferred custom duties of Rs.2,24,50,632/- on imported capital goods.

**53. Contingent Liability**

Contingent Liability on account of deferred custom duties of Rs.2,24,50,632/- on imported capital goods (Previous Year Rs. Nil) under MOOWR Scheme (**As referred in Note No. 52**)

54. The previous year's figures are grouped / regrouped or arranged / rearranged wherever necessary to make them in compliance with disclosure requirement of Indian Accounting Standards.

**As per our report of even date  
For Ambavat Jain & Associates LLP  
Chartered Accountants  
Firm Registration No. 109681W**

**Ashish J. Jain  
Partner  
Membership No. 111829**

**Place :MUMBAI  
Date : 30-05-2023**

**On behalf of the Board**

**Sd/-  
J.R. Mehta  
Managing Director  
DIN 00193029**

**Sd/-  
Shailesh Sankav  
Chief Financial Officer**

**Place :MUMBAI  
Date : 30-05-2023**

**Sd/-  
R.C. Garg  
Director  
DIN 03346742**

**Sd/-  
Kirti Pathak  
Company Secretary  
Membership No. A51173**