



Virat Industries Ltd.

Regd. Office & Factory :

A-1/2, GIDC Industrial Estate, Kabilpore,

Navsari-396 424, Gujarat. (INDIA)

Tel.:(91-2637) 265011/265022/7878325805 Fax : (91-2637) 265712

Email: factory@viratindustries.com / Website : www.viratindustries.com

CIN

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VILN:1095:23:103

28th August, 2023.

BSE Limited

PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Scrip Code. 530521

Subject: - 33rd Annual Report of Virat Industries Limited for FY 2022-23

Dear Sir/Madam,

Pursuant to provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 33rd Annual Report of Virat Industries Limited for FY 2022-23 for the 33rd Annual General Meeting to be held on Wednesday, September 20, 2023.

Kindly take the same on your records and oblige.

Thanking you,

For Virat Industries Limited.

NAMAN
CHETANBHAI
BHANDARI

Digitally signed by
NAMAN CHETANBHAI
BHANDARI
Date: 2023.08.28
14:24:55 +05'30'

Naman Bhandari
Company Secretary

Encl. As above.

Corporate Head Office:

74, Bajaj Bhavan, 226 Rajani Patel Marg, Nariman Point, Mumbai - 400 021 (India).

Tel Nos. (91-22) 2202 9346 / 2202 9347 / 4005 0278 Email : sales@viratindustries.com website : www.viratindustries.com



Virat Industries Limited



MEET ONE OF THE WORLD'S
FINEST SOCKS MAKERS.....

**33rd Annual Report
2022—2023**

Virat Industries Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Adi F. Madan
Managing Director

Smt. Ayesha K. DadyBurjor
Whole-time Director

Shri. Ajit P. Walwaikar
Shri. Harish H. Shah
Shri. Kaizad R. DadyBurjor
Shri. Pheroze A. Dhanbhoora
Directors

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri. Naman Bhandari

CHIEF FINANCIAL OFFICER

Shri. Bhavik R. Maisuria

AUDITORS

M/s. B. K. Khare & Co.
Chartered Accountants

BANKERS

Kotak Mahindra Bank Ltd.

REGISTERED OFFICE & FACTORY

A-1/2, GIDC Industrial Estate, Kabilpore,
Navsari - 396 424, Gujarat.

EMAIL ID

factory@viratindustries.com

WEBSITE

www.viratindustries.com

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the Members of Virat Industries Limited will be held on Wednesday, September 20, 2023 at 11.00 a.m. through Video Conference/Other Audio-Visual Means ('VC'), to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023, the report of the Auditors' thereon, and the report of the Board of Directors.
2. To appoint a Director in place of Shri. Kaizad R. DadyBurjor (DIN: 00022387) who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To re-appoint Smt. Ayesha K. DadyBurjor (DIN: 02949248) as a Whole Time Director of the Company

To consider and if thought fit, to pass with or without modification (s) the following Resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in terms of Regulation 166 of the Articles of Association of the Company and subject to the provisions of Sections 2(78), 2(94), 196 and 197, 198 and Schedule V and other applicable provisions of the Companies Act, 2013, Smt. Ayesha K. DadyBurjor, be and is hereby re-appointed as the Whole-time Director of the Company with effect from 8th November 2023 to 7th November 2026, for a term of 3 years, on terms and conditions mentioned in the Agreement to be entered into between the Whole-time Director and the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

The Company in General Meeting has to approve the following terms of remuneration and other terms and conditions to the Whole-time Director:

- (a) Salary – ₹90,662/- per month
- (b) Perquisites – The following perquisites are allowed in addition to salary.
 - Housing – 35% of the salary towards House Rent Allowance ₹ 31,731/- per month
 - Medical Allowance – ₹ 7,550/- per month (Maximum one month's basic salary for a year)
 - Conveyance Allowance – ₹ 25,683/- per month
- (c) Car – Company's car along with chauffeur for the business of the Company including Petrol/ Diesel Expenses.
- (d) Gratuity – Gratuity as per the provisions of the Gratuity Act as applicable to all other employees of the Company, subject to the ceiling as per the guidelines for Managerial Remuneration in force from time to time.
- (e) In the event of loss or inadequacy of profits in any financial year, the Whole Time Director shall be paid remuneration by way of salary and perquisites as specified above."



- (f) She will not be entitled to Provident Fund and any other benefit like Leave Travel Allowance, etc.

Other Benefits

Apart from the aforesaid remuneration, the Whole-time Director shall be entitled to Business Class travel wherever available. A daily allowance of USD 500 per day will be allowed, which will include accommodation and food, internal travel and transportation.

The Whole-time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof so long as she continues as the Whole-time Director.

Not exclusive

The Directors are at liberty from time to time to appoint any other person or persons to be Whole-time Directors jointly with the Whole-time Director.

Termination

Either party shall be entitled to terminate the Agreement by giving three months' notice in writing to the other party without assigning any reason or on expiry of the period of such notice the Agreement shall stand terminated. The Company shall be entitled to give three months' salary and perquisites in lieu of the notice period.

Compensation

If any time the office of the Whole-time Director is determined before the expiry of her term of office, the Whole-time Director shall be entitled to be compensated for the loss of office in accordance with and subject to the restrictions laid down in Section 191 of the Companies Act, 2013.

Non-Rotational

The Whole-time Director shall not so long as she continues to hold office as Whole-time Director be liable to retire by rotation and she shall not be reckoned as Director for the purpose of determining the rotation for retirement of Directors.

Arbitration

That in the event of any dispute or difference at any time hereafter arising between the Company on one hand and the Whole-time Director on the other hand with reference to any of the provisions of this Agreement, matters or things herein contained, or any matters or things arising there from or thereabout, such dispute or difference shall be referred to two arbitrators one to be chosen by each party to the dispute or difference or in case of difference between Arbitrators, to an Umpire to be chosen by the Arbitrators before entering upon the matters referred to them and this Agreement shall be deemed to be a submission to the Arbitration of two Arbitrators within the meaning of the Arbitration and Conciliation Act, 1996 or any statutory amendment. Modification and re-enactment thereof, as the case may be.

By Order of the Board of Directors

Naman Bhandari
Company Secretary
ACS 66125

Registered Office:
A-1/2, GIDC Industrial Estate,
Kabilpore, Navsari 396 424, Gujarat
Place: Navsari
Date: August 10, 2023

**NOTES:**

A. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by Ministry of Corporate Affairs ("MCA") read together with previous circulars issued by the MCA in this regard (collectively to be referred to as "MCA Circulars") and Circular SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities and Exchange Board of India ("SEBI") read together with other circulars issued by SEBI in this regard (collectively to be referred to as "SEBI Circulars"), Companies are allowed to hold Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), without the physical presence of members at a common venue till September 30, 2023. Hence, in compliance with the said circulars and provisions of the Companies Act, 2013 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC/OAVM.

The deemed venue for the AGM shall be the registered office of the Company.

B. The Explanatory Statement pursuant to Section 102(1) of the Act setting out the material facts relating to the special businesses to be transacted at the 33rd AGM is annexed hereto.

C. Since 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 and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM, participate thereat, and cast their votes on e-Voting.

D. Corporate Members are requested to send to the Company a certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting. The said Resolution shall be sent to the Company by email through its registered email address to factory@viratindustries.com.

E. The notice of AGM along with Annual Report for the financial year 2022 – 2023, is available on the website of the Company at www.viratindustries.com, on the website of the Stock Exchange- www.bseindia.com. The AGM Notice is also disseminated on the website of Link Intime India Private Limited (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e., <https://instavote.linkintime.co.in/>

F. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the Members the facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Link Intime India Private Limited.

G. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

H. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.

I. The Register of Members and the Share Transfer Books will be closed from September 14, 2023 to September 20, 2023 (including both dates) for determining the names of members eligible for dividends on equity shares, if declared.

J. SEBI has mandated the submission of Permanent Account Number (PAN), proof of identity, address and bank details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the said documents to their Depository Participant(s). Members holding shares in physical form shall submit the documents to Link Intime India Private Limited.



- K.** Members are informed that the facility of dematerialization of shares of the Company is available and members are advised to go for that by approaching concerned DPs. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as henceforth it will not be possible to transfer shares held in physical mode.
- L.** Members desiring any information, as regards the Accounts, are requested to write to the Company at least 10 days before the date of the meeting at factory@viratindustries.com to enable the management to keep the information ready.
- M.** Members are requested to send all communication relating to shares to the Company's Registrar & Transfer Agent- Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli, West, Mumbai 400083; Tel No. 022 49186000, E-mail Address: rnt.helpdesk@linkintime.co.in. Members holding shares in dematerialized form should address all the correspondence to their respective Depository Participants (DPs).
- N.** Members who wish to claim dividends, which remain unpaid, are requested to correspond with our Registrar and Share Transfer Agent (RTA) i.e. M/s Link Intime India Private Limited on above mention address. Members are requested to note that dividends not encashed/claimed within seven years will be transferred to Investor Education and Protection Fund of Government of India. Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.

O. Process of Registration of email ID and Bank Account details:

1. In the case of Shares held in Physical mode:

Kindly login to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration- fill in the details, upload the required documents and submit.

2. In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

P. E-voting

- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) on the items mentioned in the notice by electronic means through e-voting Services provided by Link Intime India Pvt. Ltd. **The e-voting shall be open on September 17, 2023 to September 19, 2023 from 9.00 AM to 5.00 PM.**
- The Board of Directors of the Company has appointed M/s. Vishal Dewang & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-Voting process and voting through the electronic voting system at the AGM in a fair and transparent manner.
- E-voting is optional. The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on **September 13, 2023** being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, can cast their vote electronically.
- The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website.



The instructions for members for voting electronically are as under:-

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • 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: https://eservices.nsdl.com 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 & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Existing user of who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration



Type of shareholders	Login Method
	<ul style="list-style-type: none"> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> 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.
Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above Shareholders holding shares in NSDL form, shall provide ‘D’ above. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$&*), at least one numeral, at least one alphabet and at least one capital letter). Click “confirm” (Your password is now generated). Click on ‘Login’ under ‘SHARE HOLDER’ tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’. <p>Cast your vote electronically:</p> <ol style="list-style-type: none"> After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. E-voting page will appear.



Type of shareholders	Login Method
	<p>3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</p> <p>4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</p>

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode have forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
 - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.



- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- **User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate):**
Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above-mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

❖ **Process and manner for attending the Annual General Meeting through InstaMeet:**

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- Select the “**Company**” and ‘**Event Date**’ and register with your following details:
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form** shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

❖ **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. 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 7 (seven) days prior to meeting i.e. Wednesday, September 13, 2023 mentioning their name, demat account number/folio number, e-mail ID, mobile number at factory@viratindustries.com.



2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> (Members may also refer to a tutorial video available on <https://www.youtube.com/watch?v=U2C9BVtGVrk>).
5. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
6. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
7. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

❖ **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

❖ **General Instructions:**

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.



Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

By order of Board of Directors

Naman Bhandari
Company Secretary
Membership No: ACS 66125

Registered Office:
A-1/2, GIDC Industrial Estate,
Kabilpore, Navsari 396 424, Gujarat

Place: Navsari
Date: August 10, 2023

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Explanatory Statement sets out all material facts relating to the ORDINARY BUSINESS mentioned under Item Nos. 2 of the accompanying Notice.

Business No. 2 - To appoint a Director in place of Shri. Kaizad R. DadyBurjor (DIN: 00022387) who retires by rotation and, being eligible, offers himself for re-election.

Pursuant to the Provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of the total number of Directors of the Company shall be liable to retire by rotation. One third of these Directors must retire from office at each Annual General Meeting, but each retiring director is eligible for re-election at such meeting.

Shri. Kaizad R. DadyBurjor, (55) is the Non-executive Director of the Company, subject to retire by rotation within the meaning of Sec. 152 of the Companies Act, 2013. Shri. Kaizad DadyBurjor, is Director of the Company since 22nd September 2016. Prior the joining Virat Industries Ltd, he promoted the Sigma Group with headquarter in Texas. He also received the Award of "Small Business of the Year 2004" from Asian American Chamber of Commerce and Industry, Dallas, USA.

Except Smt. Ayesha K. DadyBurjor, no other Director is concerned or interested in this Resolution. The Directors recommend your acceptance thereof in the interest of the Company.

Additional Information about Shri Kaizad R. DadyBurjor is provided in Annexure A enclosed hereto.

Business No. 3

Smt. Ayesha K. DadyBurjor (53) (BBA (Hons) University of Texas USA is the Whole-time Director of the Company. She is seeking to be appointed as Director of the Company out of the quota of 1/3rd of the Directors who are not subject to retirement by rotation within the meaning of Sec. 152 of the Companies Act, 2013 till she is a Whole-time Director of the Company.

She is a charismatic and energetic Sales and Marketing Director with a proven track record of consistently winning high levels of business within a competitive marketplace like the USA. She is able to establish credibility with senior decision-makers quickly, in a wide range of business contexts, all with the aim of helping to grow the Company's business. She joined Shapoorjee Chandabhoy Finvest Pvt. Ltd., Mumbai in 2004, onwards as Executive Director. Her professional experience is as under:

- Wolford – Plano, TX (USA) : 2002 – 2004
Sales and Marketing for a high-end lingerie and hosiery brand
- Sigma Systems, Inc – Carrollton, TX (USA) : 2000 – 2002
Managed Accounts Receivables and Collections
- Neiman Marcus, Plano TX (USA) : 1995 – 1998
High End Retail Couture Sales and Marketing

Except for Smt. Ayesha K. DadyBurjor, Shri. Kaizad R. DadyBurjor, no other Director is concerned or interested in this Resolution. The Directors recommend your acceptance thereof in the interest of the Company.



Annexure A:

As required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Directors who are proposed to be reappointed

Name of Director	Smt. Ayesha K. DadyBurjor	Shri. Kaizad DadyBurjor
DIN	02949248	00022387
Age	53 years	55 years
Qualification	BBA (Hons) in Management and Marketing	Diploma in Business Management
Date of Appointment	01/ 09/ 2014	03 / 09 / 2015
Expertise	<p>Her professional experience is as under:</p> <ol style="list-style-type: none"> 1) ShapoorjeeChandabhoy Finvest Pvt. Ltd. – 2004, onwards, Executive director/Director 2) Wolford – Plano, TX (USA) 2002 – 2004 3) Sigma Systems, Inc – Carrollton, TX (USA) :2000 – 2002 4) Managed Accounts Receivables and Collections 5) Neiman Marcus, Plano TX (USA) 1995 – 1998 	<p>He promoted Sigma Group with head quarters at Texas. He has received Award of “Small Business of the year 2004” from Asian American Chamber of Commerce and Industry, Dallas, USA.</p> <p>Proprietor of Otro Consultancy which runs fleet of Ola cabs.</p>
Date of first appointment on Board	01/09/2014	03/09/2015
No. of Board Meetings attended during the Year 2022-2023	6	6
Terms and conditions of appointment/re-appointment	As per the resolution at Item No. 3 of the Notice	As per the resolution at Item no. 2 of the notice
Remuneration last drawn	₹ 141,500/- Per Month	No remuneration other than sitting fees is being paid
Relationships with other directors and Key Managerial Personnel inter-se	Smt. Ayesha K. DadyBurjor is the spouse of Shri. Kaizad DadyBurjor, Director of the company	Shri. Kaizad DadyBurjor is the spouse of Smt. Ayesha K. DadyBurjor, Whole Time Director of the company.



Name of Director	Smt. Ayesha K. DadyBurjor	Shri. Kaizad DadyBurjor
Other Directorships	1. ShapoorjeeChandabhoy Finvest Pvt. Ltd. 2. Armayesh Fashions Pvt. Ltd. 3. Armayesh Embroideries Pvt. Ltd 4. Armayesh Consultancy and Agencies Pvt. Ltd 5. Armayesh Imports and Exports Pvt. Ltd 6. Janas Finance and Investments Pvt. Ltd	Shapoorjee Chandabhoy Finvest Pvt. Ltd.
Chairmanship/ Membership of the Committees	None	None
Shareholding in the Company	242,252	53,004



D I R E C T O R S ' R E P O R T

Your Directors are pleased to present the 33rd Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2023.

FINANCIAL RESULTS AND ACCOUNTS

The Financial Results are as under:

(₹ In lakh)

Particulars	2022 – 23	2021 – 22
Gross Income	3841.90	2513.97
Profit Before Interest and Depreciation	378.75	336.30
Finance Charges	6.94	3.30
Gross Profit before Depreciation	371.81	333.00
Provision for Depreciation	153.81	160.40
Net Profit Before Tax	218.00	172.60
Provision for Tax	55.91	37.37
Net Profit After Tax	162.09	135.23

Dividend

The Board of Directors has decided to conserve cash and not recommend a dividend this year. The management has plans to expand and upgrade production capacity and to install equipment to help in reducing the cost of power and fuel. Therefore, internal accruals are being used to finance these costs.

Year in retrospect:

The year under review faced many challenges arising out of the global economic slowdown, inflationary pressures leading to an upward trend in the prices of several key commodities, an oil price spike, and the ongoing Russia-Ukraine war causing disruption in the supply chain.

Despite several macro-economic headwinds, India showed remarkable resilience and was among the top-performing emerging markets, driven by a healthy economic environment.

Compared to the previous year, there was robust growth in most of the key economic indices. The improved momentum resulted in relative insulation of India to the global economic shocks, though many western economies were faced with massive inflationary pressures.

Revenues:

Your company achieved the highest ever knitting production of 97.04 lakh pairs of socks over a broad spectrum of styles. This showed a commendable volume growth of 68.41% over the preceding year.

The despatches of 84.01 lakh pairs of socks shipped by your company to various geographies in the world this year reflects the highest quantity of socks sold since the inception of the factory. It was a quantum jump of 50.30% growth over the preceding year, indicating a significant surge in demand and confidence in your company's products in the export markets.

The sales value of the company leapfrogged this year to ₹ 3549.90 lakhs from ₹ 2318.10 lakhs in the preceding year, registering an inspiring rise of 53.13%. The export sales of ₹ 3317.35 lakh (93.44% of total sales) this year were 58.68% higher than the export sales of the preceding year of ₹ 2090.54 lakhs. The inspiring growth is a commendable achievement of the company on the export front. This makes it even more amazing when compared with a meagre 1.30% growth in the Indian export sale of readymade garments a traditional mainstay of the Indian export market.



Realized Prices

During the year under review, a price rise was implemented across the board for all styles of socks sold to all export clients. Accordingly, the actual yearly figures showed an increase in the average sale price of all export clients. The overall average sales price realized has shown a nominal rise of 2.1%

The main cause of overall sales price not reflecting the rise was due to changes in client-mix / product-mix caused by dispatches of a higher proportion of low-price goods (sneakers, kid socks, multi-pack socks).

Exchange Rate:

The average exchange rates as announced by custom authorities for export invoicing in 2022 – 2023 and 2021 – 2022 are as under;

Year	2022 – 2023	2021 – 2022	Difference (₹)
₹/1 GBP	95.01	100.01	(5.00)
₹/1 USD	80.51	73.62	6.89

There is a net exchange gain of ₹ 76.79 lakh.

Inflation and price rise in cost inputs:

Due to inflationary pressures, your company's main constituents of cost registered a marked increase in prices.

There was rise of about 12% in the price of dyed cotton yarn compared to the previous year. The rise was around 20 to 22% in the first and second quarters of the year but subsequently cooled off in the fourth quarter. Dyed cotton yarn constitutes to about 71% of the raw material cost of cotton socks.

The power cost posted a rise of 8.6% at ₹ 7.81 per KWH against ₹ 7.23 per KWH in the previous year.

Natural gas showed an increase of 19.70% over the previous year.

Export freight cost was 21% up against the preceding year due to an increase in sea freight cost and other logistics issues.

Wages and salaries cost showed a rise of about 11.60% due to statutory and merit increments.

Profit & Loss Account:

The income for the year under review rose 52.82% to ₹ 3841.90 lakh from ₹ 2513.97 lakh in the previous year. It was the company's best-ever financial performance achieved in terms of income.

Higher inflation led to all input and transport costs going up considerably.

The percentage of cost rise in the inputs overtook the percentage of growth in income.

The profit before tax of ₹ 218.00 lakh achieved this year was 26.51% higher against ₹ 172.60 lakh in the preceding year. But in terms of percentage to net sale, the profit before tax is 6.15% of net sale compared to 7.45% in the previous year.

In other words, the higher input costs shown above really hurt the profit margins during the year under review.

**EBITDA:**

EBITDA in terms of percentage to net sale is lower at 10.68% this year against 14.51% in the previous year to reasons explained above.

Profit before Tax:

The comparative performance highlights for last five years are as under:

Particulars	Units	INDAS				
		2022-23	2021-22	2020-21	2019-20	2018-19
Income Statement						
Total Income	₹ in Lakh	3841.90	2513.97	2022.30	2715.83	2436.90
Export Sale	₹ in Lakh	3317.35	2090.54	1685.10	2256.84	1972.14
Operating EBITDA	₹ in Lakh	378.75	336.30	274.41	396.90	309.62
Net Profit before Tax	₹ in Lakh	218.00	172.60	92.50	200.77	105.82
Net Profit after Tax	₹ in Lakh	162.09	135.23	79.49	148.35	64.74
Cash Profit	₹ in Lakh	315.90	295.62	255.54	339.18	258.34
Balance Sheet						
Net Worth	₹ in Lakh	2499.68	2385.63	2253.25	2171.53	2024.57
Capital Employed	₹ in Lakh	2454.94	2375.34	2264.04	2180.87	2292.42
Significant Ratios						
Operating EBITDA/Net Sale	%	10.67	14.51	14.90	16.09	13.77
Return on Capital Employed (EBIT/Avg. CE)	%	15.68	14.41	12.35	17.75	14.32
Price Earnings Ratio		66.32	57.94	22.26	7.21	41.12
Book Value Per Share	₹	50.77	48.46	45.77	44.11	41.05
Current Ratio		4.71	5.89	6.94	4.02	3.96
Operations						
Knitting Production	Pairs in lakh	97.05	57.62	53.36	69.77	57.05
Pairs Dispatched	Pairs in lakh	84.01	55.89	55.04	67.16	61.33
Sales realization	₹ per pair	42.25	41.40	33.46	36.73	36.79
Earnings Per Share	₹	3.21	2.69	1.81	3.06	1.43

There is no change in the nature of business of your Company for the year under review.

Overview of the Economy:

During the year under review, India was among the top-performing emerging markets, showing strong momentum and robust growth across many key economic indicators.

The Direct Tax collections of ₹ 166 lakh crore, registered a rise of 17.60% over the previous year.

Merchandise exports rose 6% to USD 447 billion during the year buoyed by outbound shipments of Petroleum Products, Electronics, and Chemicals.



Service exports clocked an unprecedented growth of 27% to USD 323 billion. The service exports remittances have no protection of subsidy and incentives, given to merchandise exports. These exports also help to reduce the amount of current account deficit.

India's G-20 presidency this year is an opportune moment to push the lower barriers to the globalization of service.

Total exports of USD 770 billion, posted growth of 13.90% over previous year.

India entered into Free Trade Agreement with Australia and UAE. These are historic deals resulting in elimination of tariffs between India and these countries.

During the year, the Company carried out sales in the following geographical segments.

(In ₹ Lakh)

	Europe	India	Rest of World	Total
Revenues	3068.16	232.55	249.19	3549.90

Industry Structure and Development

The key players of the textile industry are concentrated in India, China, the European Union and the United States. Vietnam and Bangladesh have also emerged as significant contributors to the industry. India is estimated to have the world's third largest textile industry.

India benefits from multitude of factors such as abundant availability of raw materials including cotton, polyester, nylon, silk, wool and jute, along with a large pool of skilled manpower and large ancillary industry. It also enjoys benefits of being a cost effective compared to other large textile producing countries.

New technologies and state-of-the art equipment have enabled the Indian textile industry to become more efficient and productive over the years.

Notwithstanding the availability of such facilities and resources the textile industry including garment has been struggling to increase international market share. Besides the performance in export market this year was lack luster. The problems faced by Indian Textile Industry are as under;

- i) Wide variation in cotton prices from time to time making it difficult to quote price for long term export contracts in export market, where the prices are quoted two times in a year.
- ii) 10.6% import duty has been imposed by the European Union on exports from India. Countries like Vietnam, Sri Lanka and Bangladesh are exempted from such duty. Due to this Indian players have a lower market penetration in Europe.
- iii) India imports the key ingredients used in production of polyester fibre and viscose stable yarn. Heavy Anti Dumping duty is imposed by the supplier Governments. This makes yarn, fabrics and garments made from man-made fibre uncompetitive in the overseas markets. On import of MMF fabrics there is 20% import duty.

In short, the employment potential of India's textile and clothing industry remains grossly underutilized, particularly in MMF sector.

**Opportunities:**

Your company has the state-of-the art equipment, coupled with expertise to manufacture exclusive quality technical and athletic socks for niche export markets. Such socks are difficult to copy by our competitors. The prices of these socks are very remunerative. There is adequate availability of raw materials, nylon, polyester and elastane, where prices in India are reasonable. Your Company has been knitting and exporting such socks since many years, and making efforts to accelerate the share of such socks by supplying to various geographies of the world. During last two years, the company successfully enhanced the production of football socks for various overseas clubs and other high price socks for top-end overseas markets.

India's rich tradition of textiles is poised for a quantum leap that will make it a global investment, manufacturing, and export hub. The Government of India has announced seven such MITRA (Mega Integrated Textile Region and Apparel) parks, one each in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat (in Navsari), and Uttar Pradesh, that will be set up with an outlay of ₹ 445 crores. The mega parks will help the sector to achieve its target of a turnover of USD 250 billion and export of USD 100 billion by 2030.

Threats:

Due to the global slowdown, the demand in the overseas markets is expected to be subdued which may adversely affect the exports from India.

10.6% import duty on export of textile from India, will continue to weigh on the margin of Indian export.

FINANCE

As on the date of Balance Sheet, the Company is debt free in terms of long-term loans, excepting loan on vehicles.

WORKING CAPITAL LOAN

The Company is enjoying export packing credit and foreign bills purchase facilities from Company's Bankers.

INSURANCE

The properties and insurable interests of your Company in buildings, plant, machinery, stocks, etc. are adequately insured by the Company.

CHANGE IN SHARE CAPITAL

The paid-up share capital of the Company as on March 31, 2023 was ₹ 4.93 Crores and there has been no change in the capital structure of the Company.

RESERVES

During the year under review, the Company has not transferred any amount to reserves.

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

Shri. Kaizad R. DadyBurjor was reappointed as a Non-executive Director retires by rotation, being eligible to offer himself for re-election.



BOARD OF DIRECTORS

The Company has a broad-based Board of Directors, duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. There is one Woman Director on the Board. The changes in the composition of the Board of Directors are carried out in compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

Policy formulations, setting up of goals, evaluations of performance and control functions vest with the Board. The composition of the Board of Directors of the Company as on March 31, 2023 was as follows.

Sr No	Name of the Director	Category
1.	Shri. Adi F. Madan	Managing Director
2.	Shri. Ajit P. Walwaikar	Independent Director
3.	Shri. Harish H. Shah	Independent Director
4.	Smt. Ayesha K. DadyBurjor	Whole-time Director
5.	Shri. Kaizad DadyBurjor	Non- Executive Director
6.	Shri. Pheroze A. Dhanbhoora	Independent Director

Shri. Kaizad R. DadyBurjor (DIN: 00022387) who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

BOARD MEETINGS

Regular meetings of the Board of Directors are held to discuss and decide on various business policies, strategies, and other business.

During the FY 2022 – 2023, the Board met six (6) times on the following dates.

28/04/2022	26/05/2022	10/08/2022	06/09/2022	10/11/2022	09/02/2023
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Name of the Member	No of Meeting of Attended	Whether attended Last AGM
Shri. Adi F. Madan	6	YES
Shri. Ajit P. Walwaikar	6	YES
Shri. Harish H. Shah	5	YES
Smt. Ayesha K. DadyBurjor	6	YES
Shri. Kaizad DadyBurjor	6	YES
Shri. Pheroze A. Dhanbhoora	4	YES

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act 2013, stating that they meet the criteria of independence as provided in sub-section (6).



COMPOSITION OF AUDIT COMMITTEE

The Board has constituted an Audit Committee comprising of three Independent Directors. The Audit Committee reviews reports including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors and Internal Auditors to ascertain their views on the financial statements. The Committee members meet regularly and make their recommendations in accordance with the terms of reference specified by the Board. Such recommendations are thoroughly discussed in Board meetings and by and large accepted for implementation.

The names of Committee members are as under.

Shri. Ajit P. Walwaikar	- Chairman
Shri. Harish H. Shah	- Member
Shri. Pheroze A. Dhanbhoora	- Member

All the members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Technical, Secretarial and Legal issues. The attendance records of the members at the meeting were as follows:

During the FY 2022 – 2023, the committee met five (5) times through video conferencing on the following dates.

26/05/2022	10/08/2022	06/09/2022	10/11/2022	09/02/2023
------------	------------	------------	------------	------------

Name of the Member	Designation	No. of Meeting of Attended
Shri. Ajit P. Walwaikar	Chairman	5
Shri. Pheroze Dhanbhoora	Member	3
Shri. Harish H. Shah	Member	4

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted a Nomination and Remuneration Committee consisting of three Independent Directors.

The names of Committee members are as under.

Shri. Ajit P. Walwaikar	- Chairman
Shri. Pheroze Dhanbhoora	- Member
Shri. Harish H. Shah	- Member

The Committee has the mandate to recommend appointment/re-appointment of Executive Directors and appointment of employees from the level of Vice-President and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the person's track record, his/her potential, individual performance, the market trends, and scales prevailing in the similar industry.

During the FY 2022 – 2023, the committee met one (1) time through video conferencing as on February 2, 2023.



The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No of Meeting of Attended
Shri. Ajit P. Walwaikar	Chairman	1
Shri. Pheroze Dhanbhoora	Member	0
Shri. Harish H. Shah	Member	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholder Relationship Committee consisting of three Directors, two independent Directors and the Managing Director.

The names of Committee members are as under.

Shri. Ajit P. Walwaikar - Chairman

Shri. Pheroze Dhanbhoora - Member

Shri. Adi F. Madan - Member

The Company Secretary is designated as the “Compliance Officer” who oversees the redressal of the Investors’ grievances.

The Committee meets to approve share transfers, transmission, issue of duplicate share certificates, re-materialization of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, etc. The Committee regularly reviews the movement in shareholding and ownership structure. The Committee also reviews the performance of the Registrar and Transfer Agents. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints.

The Committee met Four (4) times during the financial year ended on March 31, 2023. The attendance records of the members at the meeting were as follows:

During the FY 2022 – 2023, the committee met four (4) times through video conferencing on the following dates.

26/05/2022	10/08/2022	10/11/2022	09/02/2023
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Name of the Member	Designation	No. of Meeting of Attended
Shri. Ajit P. Walwaikar	Chairman	4
Shri. Pheroze Dhanbhoora	Member	2
Shri. Adi F. Madan	Member	4

SECRETARIAL STANDARDS

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



VIGIL MECHANISM / WHISTLE BLOWER POLICY

Fraud and corruption free work culture has been the core of the Company. In view of the potential risk of fraud, corruption, and unethical behavior, which could adversely impact the Company's business operations, the Company has an established mechanism for Directors/Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee. The key directions/actions are informed to the Managing Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- (a) In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit and loss of the Company for the period ended March 31, 2023.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The Directors had prepared the annual accounts on a going concern basis.
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES

As the Company has no subsidiaries, Section 129(3) of the Companies Act, 2013, does not apply.

ANNUAL RETURN

In terms of provisions of Section 92(3), 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 for the financial year ended March 31, 2023 is placed on the website of the Company and can be accessed at <http://viratindustries.com/>.

AUDITORS

STATUTORY AUDITOR

M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W) were re-appointed as the Statutory Auditors of the Company for a tenure of 5 years commencing from the conclusion of the 32nd AGM of the Company until the conclusion of the 37th AGM of the Company to be held in the year 2027. The Statutory Auditor's Report does not contain any qualifications, reservations, adverse remarks, or disclaimers.

**SECRETARIAL AUDITOR**

M/s. Vishal Dewang & Associates, practicing Company Secretary was appointed as a Secretarial Auditor under the provision of section 204 of the Companies Act, 2013 for FY 2022 – 2023. The Report of the Secretarial Auditor for FY 2022 – 2023 is annexed to this report as **Annexure – I**. The said Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks, or disclaimer.

INTERNAL AUDITOR

The Board of Directors has appointed M/s S.R. Rege & Co., Chartered Accountant, as Internal Auditors for the FY 2022 – 2023 to conduct the internal audit of the various areas of operations and records of the Company. The periodic reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

COST AUDITORS

Your Company is not required to maintain cost accounting records as specified under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the FY 2022 – 2023 is annexed and forms part of this Report as **Annexure – II**.

DETAILS RELATING TO DEPOSITS

The Company has not accepted any deposit during the year, nor has any deposit remained unpaid or unclaimed as at the end of the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders were passed by the regulators or Courts or Tribunals during the year, which would adversely impact the Company's operation in future.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The existing internal financial controls are commensurate with the nature, size, complexity, and business processes followed by the Company. They have been reviewed and found generally satisfactory on the following key control matrices.

- a) Entity Level Control
- b) Financial Control
- c) Operational Control

which included authority and organization matrix, risk management practices, compliance framework within the origination, ethics and fraud risk management, management Information system, self assessment of control point, business continuity and disaster recovery planning, budgetary system, etc.

Section 134(5)(e) of the Companies Act, 2013 requires the submission of a report by the Board of Directors of a listed Company which includes a statement ensuring that the Company has laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively.



During the year, the Company followed Policy Documents with regard to Internal Financial Control, along with Risk Control Matrix. The same have been tested by the Internal Auditors and the Statutory Auditors.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company has not-

- Given any loan to any person or other body corporate,
- Given any guarantee and provided any security in connection with a loan to any other body corporate or any person.
- Acquired by way of subscription, purchase or otherwise the securities of any other body corporate otherwise than in accordance with the law.

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES

During the year, your Company transferred the ₹ 380,582/- for the financial year ended March 31, 2014 to the Investor Education and Protection Fund in compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013.

In compliance with these provisions read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company also transferred 29,100 Shares to the Demat Account of the IEPF Authority, in respect of which dividend had remained unpaid/ unclaimed for a consecutive period of 7 years.

RISK MANAGEMENT

A documented risk management policy is in place as per section 134(3) (n) of the Companies Act, 2013.

Your Company is exposed to risk from fluctuation of foreign exchange rates, market economic slowdown or decline in demand in the country of buyers of your Company's products, prices of raw materials and finished goods, compliances risk and people risk.

Foreign Exchange Risk

During year under review the Company endeavoured to further mitigate the risk associated with the exchange fluctuations by entering into Forward Contracts with the Company's Bankers, on very conservative and risk- adverse basis.

Commodity Prices Risk

Your Company proactively manages the risk of purchasing raw materials through forward booking, vendor development practices and inventory management. The Company's strong reputation for quality and services with overseas clients to some extent mitigates the impact of price risk on finished goods.

Compliance Risk

Your company must follow various statutes and regulations including the Companies Act. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

People Risk

Your Company nurtures and grooms the talented and key personnel for future business leadership and looks after them judiciously so that they stay with the Company.



CORPORATE SOCIAL RESPONSIBILITY

Section 135(1) of the Companies Act, 2013, is not applicable to your Company, because the net worth, turnover, and net profit of your Company during the year is less than the required limits.

PREVENTION OF INSIDER TRADING

SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated a new Code for Prevention of Insider Trading for Directors, Promoters and Senior Executive Officers.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors, Key managerial personnel, and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were in the ordinary course of business of your Company and were on arm's length basis. There were no materially significant related party transactions entered by your Company with Promoters, Directors, Key Managerial Personnel, or other persons which may have a potential conflict with the interest of your Company. The details are given in **Annexure - III**, forming part of this report.

FORMAL ANNUAL EVALUATION

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc.

MEETING OF INDEPENDENT DIRECTORS

All the independent Directors of the Company held a meeting on February 9, 2023 and reviewed the performance of non-independent Directors and the Board as a whole. They also assessed the quality, quantity, and timeliness of flow of information between the Company management and the Board.

They expressed their satisfaction at the performance of non-independent Directors and appreciated the flow of information from the Company management.

RATIO OF REMUNERATION TO EACH DIRECTOR

The ratio of remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming a part of this Report as **Annexure IV**.

LISTING FEES

Your Company has paid the listing fees up to March 31, 2024 to the Bombay Stock Exchange on April 20, 2023.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company is not mandatorily required to submit a Corporate Governance Report as the equity share capital and net worth of the Company is less than the required limits as on the last date of the previous financial year. Provided that where the provision of the Act becomes applicable to the



Company at a later date, the Company shall comply with the requirement within six months from the date on which the provisions become applicable to the Company.

ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013. An "Internal Complaints Committee (ICC)" has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. A Lady NGO representative is a member of the said Internal Complaints Committee and regularly attends the meetings which are minuted.

The following is a summary of Sexual Harassment complaints received and disposed of during the year 2022 – 2023:

No. of complaints received: Nil

No. of complaints disposed of: Not applicable

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANACIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2023 AND DATE OF THIS REPORT

There were no Material changes and Commitments affecting the Financial Positions of the Company which have occurred between March 31, 2023 and date of this report.

PARTICULARS OF EMPLOYEES

As per provision of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees are required to be annexed in respect of the employees of the Company who were in receipt of total remuneration of ₹ 60.00 Lakh per annum or ₹ 5.00 Lakh per month. During the financial year 2022 – 2023, there is no employee drawing remuneration as above.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for the co-operation and support extended to the Company by the Government of India, the Gujarat State Government and by the relevant Government Authorities, Central, State and Local, the Company's Bankers and Business Associates.

Your Directors also thank all the employees at every level, who, through their dedication, co-operation, and support, have enabled the Company to achieve sustained growth.

And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and On Behalf of the Board of Directors

Place: Mumbai

Adi F. Madan

Ayesha K. DadyBurjor

Date: August 10, 2023

Managing Director

Whole Time Director



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE – I

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to Section 204, 9(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Virat Industries Limited
(CIN: L29199GJ1990PLC014514)
A 1/ 2, GIDC Industrial Estate,
Kabilpore, Navsari – 396 424. Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “Virat Industries Limited” (hereinafter called the “company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and Companies Act, 1956 (to the extent applicable) the rules made there under including any re-enactment thereof;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Regulations 2018; **(Not applicable to company during the Audit Period)**;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') **to the extent applicable during the Audit Period**;
 - f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during audit the period)**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **(Not applicable to the Company during the audit period)**
 - i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 **(applicable to the Company to the extent of Compliance of Regulation 76)**
- (vi) Labour, environment & other Specific applicable Acts/ Laws for which Secretarial Audit was conducted as on overview test check basis audit and was generally based / relied upon on the documents provided to us, Management confirmation, Certificate & other Audit Report and Certificates given by other professionals, the Company has complied with the applicable Acts / Law during the audit period.

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

- (i) The Secretarial Standards (with respect to Board and General Meetings) issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professional.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Company:

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors that took place during the Audit Period.



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or consent of all directors were received in writing for shorter board meeting notice consents (if any), 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 decision at Board Meetings and Committee Meetings are carried through and proper system is in place which facilitate/ensure to capture and record the dissenting member's view, if any as part of the minutes.

I 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.

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

Sd/-

VISHAL DEWANG & ASSOCIATES
(Practicing Company Secretary)
Vishal Dewang
M. No. 26683, CP. No. 9596
Peer Reviewed Unit
ICSI UDIN : A026683E000774573

Place: Surat

Date : August 10, 2023

Encl : "This report is to be read with our letter of even date which is annexed as **Annexure- A** and forms an integral part of this report.



Annexure-‘A’

To,
The Board of Directors
Virat Industries Limited
(CIN: L29199GJ1990PLC014514)
A 1/ 2, GIDC Industrial Estate,
Kabilpore, Navsari – 396 424. Gujarat

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test bases to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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, standards is the responsibility of management. My 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 of the efficacy or effectiveness with which the management has conducted the affairs of the company.

VISHAL DEWANG & ASSOCIATES
(Practicing Company Secretary)
Vishal Dewang
M. No. 26683, CP. No. 9596
Peer Reviewed Unit
ICSI UDIN : A026683E000774573

Place: Surat
Date : August 10, 2023



CERTIFICATE

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

To,
The Members,
Virat Industries Limited
(CIN: L29199GJ1990PLC014514)
A 1/ 2, GIDC Industrial Estate,
Kabilpore, Navsari – 396 424. Gujarat

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Virat Industries Limited having CIN: L29199GJ1990PLC014514 and having registered office situated at A 1/ 2, GIDC Industrial Estate, Kabilpore, Navsari – 396 424. Gujarat, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para – C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and the respective Directors, I hereby certify that None of the Directors on the Board of the Company as stated below for the Financial Year ended on 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.

Sr.No.	Name of the Director	Designation	DIN
1	Adi Fredoon Madan	Managing Director	00023629
2	Ayesha Kaizad Dadyburjor	Whole time Director	02949248
3	Ajit Pandurang Walwaikar	Independent Director	00022123
4	Kaizad Rusi Dadyburjor	Non Executive Director	00022387
5	Harishchandra Hiralal Shah	Independent Director	03032200
6	Pheroze Adi Dhanbhoora	Independent Director	00622769

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my 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.

VISHAL DEWANG & ASSOCIATES
(Practicing Company Secretary)
Vishal Dewang
CP. No. 9596
ICSI UDIN : A026683E000830530

Place: Surat
Date: August 21, 2023



ANNEXURE – II

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgoings as required under the Companies (Disclosure of Particulars in the Board of Directors' Report) Section 134(3)(m) are given below.

(A) CONSERVATION OF ENERGY:
Energy Conservation Measures Taken:
Electricity:

- i) Maintained the power factor to 0.999, throughout the year and got rebate of ₹ 214,964/- on this account in electricity bills.
- ii) Maintaining the Air conditioning temperature of knitting department between 27 degree centigrade to 30 degree centigrade resulting in power saving.

Natural Gas:

- i) Reduced steam leakages from boiler house to plant level and maintained the same throughout the year.
- ii) Maintain the boiler efficiency up to 88% by controlling the CO, O2 and CO2 resulting in fuel saving.

(B) TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are as per Form annexed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:
Activities relating to Exports, Initiatives to Increase Exports, Development of New Export Markets for Products and Services and Export Plan:

Ours is an export unit operating under Export Promotion Capital Goods (EPCG) Scheme. The Company has been exporting goods mainly to the European and Gulf Markets. All efforts are directed towards increasing exports. In the year under review the highest so far export sale of ₹ 3317.35 lakh was achieved in this year, growth of 58.7% over preceding year.

Total Foreign Exchange Used and Earned:	(₹ in Lakh)
i. Total foreign exchange earned	3317.35
ii. Others	17.57

SUB TOTAL (a)	3334.92

Total foreign exchange used	
i. For spares, etc.	40.80
ii. Raw Materials	--
iii. For Dividend remitted	4.54
iv. Others	16.87

SUB TOTAL (b)	62.21
	=====
% of Import to Export	1.87%



PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R&D)

1. Specific areas in which R & D is carried out by the Company:

A. Development of new products

Our company is contract manufacturer of premium quality socks for top end markets of European countries. During every season of the year our company manufactures broad spectrum of new style of socks suitable to clients' countries, culture, climate and fashion.

2. Benefits derived as a result of the above R & D:

The export sales increased by 58.7% this year, compared to previous year.

3. Future plan of action	:	To be planned.
4. Expenditure on R & D	:	Not ascertainable
(a) Capital		-
(b) Recurring		-
(c) Total		-
(d) Total R & D expenditure as a percentage of total turnover.		-

Technology absorption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company has not imported any technology. It has imported major plant and machinery.

2. Benefits, derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:

Not Applicable

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

(a) Technology imported	-
(b) Year of Import	-
(c) Has technology been fully absorbed	-

Our company has not imported any technology.



FORM NO. AOC – 2

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

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

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

Not Applicable

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

(a) Name(s) of the related party and nature of relationship	Shri. Armand Aga Promoter and Brother of Whole-time Director of the Company
(b) Nature of contracts/arrangements/ transactions	Holding office or place of profit as a Sales Manager of the Company
(c) Duration of the contracts/ arrangements/transactions	2 years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Shri. Armand Aga holding office or place of profit as a Sales Manager of the Company (Asia-Pacific Region) w.e.f. February 9, 2023 with a remuneration of ₹ 75,000 p.m.
(e) Date(s) of approval by the Board	February 9, 2023
(f) Amount paid as advances if any:	Nil
(g) Date on which the special resolution was passed in general meeting as required under the first proviso to section 188 :	Not Applicable



ANNEXURE – IV

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	Ratio												
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	<u>Remuneration:</u> <u>Executive Directors:</u> Mr. Adi F. Madan Managing Director Mrs. Ayesha K. DadyBurjor Whole-time Director <u>Sitting fees:</u> <u>Independent Directors:</u> Mr. Ajit P. Walwaikar – Director Mr. Harish H. Shah – Director Mr. Pheroze A. Dhanbhoora – Director <u>Non-Independent Directors:</u> Mr. Kaizad R. DadyBurjor – Director	29.28 12.01 0.99 0.78 0.57 0.60												
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Managing Director Whole-time Director Company Secretary Chief Financial Officer	2.70% -- 2.23% 6.58%												
(iii)	The percentage increase in the median remuneration of employees in the financial year;	The median remuneration of the employees in the financial year increased by 5.45%.													
(iv)	The number of permanent employees on the rolls of Company;	There were 148 employees as on March 31, 2023.													
(v)	The explanation on the relationship between average increase in remuneration and Company performance;	₹ in Thousand													
		<table border="1"> <thead> <tr> <th>Details</th> <th>2022 – 23</th> <th>2021 – 22</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>384190</td> <td>251397</td> </tr> <tr> <td>PBT</td> <td>21800</td> <td>17260</td> </tr> <tr> <td>PBT % of Total Income</td> <td>5.67</td> <td>6.87</td> </tr> </tbody> </table>	Details	2022 – 23	2021 – 22	Total Income	384190	251397	PBT	21800	17260	PBT % of Total Income	5.67	6.87	
Details	2022 – 23	2021 – 22													
Total Income	384190	251397													
PBT	21800	17260													
PBT % of Total Income	5.67	6.87													
		Average increase of 1.03% during reporting financial year.													
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	For the FY 2022 – 2023, KMPs were paid approx. 31.81% of the net profit before tax for the year.													



Sr. No.	Requirements	Disclosure											
(vii)	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	<p>The Market capitalization of the Company has increased from ₹ 767056 thousand as of March 31, 2022 to ₹ 1082889 thousand as of March 31, 2023. Over the same period, the price to earnings ratio moved from 57.92 to 66.32. The Virat Industries Limited stock price as at March 31, 2023 has increased by 41.17% and by ₹ 64.15 over the last financial year.</p> <p>During the year, the Company did not come out any public offer.</p>											
(viii)	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;	<p>During the year, the non-managerial remuneration increased by 11.96% being the rise in minimum wages as declared by government of Gujarat.</p> <p>The managerial remuneration increased by 2.34% during the year.</p>											
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	<p>The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under :</p> <table border="1" data-bbox="719 1294 1412 1529"> <thead> <tr> <th data-bbox="719 1294 1230 1395">Particulars</th> <th data-bbox="1230 1294 1412 1395">% of Net profit for FY 2022 – 2023</th> </tr> </thead> <tbody> <tr> <td data-bbox="719 1395 1230 1435">Managing Director</td> <td data-bbox="1230 1395 1412 1435">18.98%</td> </tr> <tr> <td data-bbox="719 1435 1230 1476">Whole-time Director</td> <td data-bbox="1230 1435 1412 1476">7.79%</td> </tr> <tr> <td data-bbox="719 1476 1230 1516">Chief Financial Officer</td> <td data-bbox="1230 1476 1412 1516">3.57%</td> </tr> <tr> <td data-bbox="719 1516 1230 1529">Company Secretary</td> <td data-bbox="1230 1516 1412 1529">1.47%</td> </tr> </tbody> </table>		Particulars	% of Net profit for FY 2022 – 2023	Managing Director	18.98%	Whole-time Director	7.79%	Chief Financial Officer	3.57%	Company Secretary	1.47%
Particulars	% of Net profit for FY 2022 – 2023												
Managing Director	18.98%												
Whole-time Director	7.79%												
Chief Financial Officer	3.57%												
Company Secretary	1.47%												
(x)	The key parameters for any variable component of remuneration availed by the directors;	1% commission of net profit of the Company if applicable as per section 197 and 198 of the Companies Act, 2013 and if decided by the Board.											
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	None											
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes											



INDEPENDENT AUDITOR'S REPORT

To the Members of Virat Industries Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Virat Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Response to Key Audit Matter
<p>Revenue recognition</p> <p>Revenue is measured at the fair value of the consideration received or receivable as reduced by dealer discounts and other similar allowances.</p> <p>Subsidy income is booked as revenue when the sale to dealer/retailer is recognised and is subject to the Company ensuring with compliance with relevant regulatory requirements.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. • Analysed and discussed with management significant contracts including contractual terms and conditions related to discounts, incentives, and rebates.



Key Audit Matters	Response to Key Audit Matter
<p>Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership.</p> <p>The application of Indian accounting standard (Ind AS 115) involves significant judgements /material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognised. Refer Note 2(12) to the Financial Statements</p>	<ul style="list-style-type: none"> • Reviewed the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account. • Performed procedures to ensure that subsidy is correctly and timely booked as revenue at the rates prescribed by the Department of Fertilizers and in the correct period. • Performed cut-off procedures to ensure that revenue is accounted in the correct period. • Selected a sample of contracts and performed the following procedures: <ul style="list-style-type: none"> (a) Analysed and identified the distinct performance obligations in these contracts. (b) Compared such performance obligations with that identified and recorded by the Company. (c) Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration. • Reviewed disclosures included in the notes to the accompanying Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 Financial Statements of the current year 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 (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.



- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURDC6012
Place: Mumbai
Date: May 25, 2023



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

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

We have audited the internal financial controls over financial reporting of Virat Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and



expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURDC6012
Place: Mumbai
Date: May 25, 2023

**ANEXURE B TO THE AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) The Company does not have any intangible assets. Accordingly, reporting under Clause 3 (i) (a) (B) of the Order is not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified certain property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished goods, traded goods, packing materials and stores and spare parts has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.
3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.



5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.
- (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.



10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.
14. (a) In our opinion and according to the information and explanations given to us 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.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
16. (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, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.



- (c) In our opinion and 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, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has no Core Investment Companies.
17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company
18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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 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.
20. The Company is not required to do CSR expenses. Accordingly, reporting under Clause 3 (xx) of the order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURDC6012
Place: Mumbai
Date: May 25, 2023



Balance Sheet as at March 31, 2023

(₹ 000)

Particulars		Note No	As at 31 March 2023	As at 31 March 2022
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	3	46,010	58,278
	(b) Financial Assets			
	(i) Loans	4	450	-
	(ii) Other financial assets	5	2,329	2,329
	(c) Deferred tax assets (net)	17	2,752	888
	(d) Other non-current assets	6	1,488	1,123
	Total Non - Current Assets		53,029	62,618
2	Current assets			
	(a) Inventories	7	141,396	88,667
	(b) Financial Assets			
	(i) Trade receivables	8	47,096	38,468
	(ii) Cash and cash equivalents	9	21,978	43,097
	(iii) Bank balances other than (ii) above	9	15,447	20,711
	(iv) Loans	10	247	9
	(v) Other financial assets	11	1,858	1,249
	(c) Other current assets	12	25,199	23,722
	Total Current Assets		253,221	215,923
	Total Assets (1+2)		306,250	278,541
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	13	49,233	49,233
	(b) Other equity	14	200,735	189,330
	Total equity (a+b)		249,968	238,563
	Liabilities			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	808	1,628
	(b) Provisions	16	1,637	1,583
	(c) Other non-current liabilities	18	100	100
	Total non - current Liabilities		2,545	3,311
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	-	-
	(ii) Trade payables	20		
	(a) dues to micro enterprises and small enterprises		400	217
	(b) dues of creditors other than above		36,808	20,057
	(iii) Other financial liabilities (other than in (b) below)	21	10,834	10,867
	(b) Provisions	22	331	156
	(c) Other current liabilities	23	5,364	5,370
	Total Current Liabilities		53,737	36,667
	Total Equity and Liabilities(1+2+3)		306,250	278,541

Accompanying notes 1 to 44 from integral part of the financial statements.

In terms of our report attached

For and on behalf of the Board of Directors

For B. K. KHARE & CO.

Adi F. Madan

Ayesha K. DadyBurjor

Kaizad R. DadyBurjor

Chartered Accountants

(Managing Director)

(Whole Time Director)

(Director)

(FR No. 105102W)

DIN : 00023629

DIN : 02949248

DIN : 00022387

Aniruddha Joshi

Ajit P. Walwaikar

Pheroze A. Dhanbhoora

Harish H. Shah

Partner

(Director)

(Director)

(Director)

Membership No. : 040852

DIN : 00022123

DIN : 00622769

DIN : 03032200

Mumbai, Date: May 25, 2023

Bhavik R. Maisuria

Naman Bhandari

(Chief Financial Officer)

(Company Secretary)

Mumbai, Date: May 25, 2023



Statement of Profit and Loss for the year ended March 31, 2023

(₹ 000)

Particulars		Note No.	Year Ended 31 March 2023	Year Ended 31 March 2022
I	Revenue from operations	24	376,846	246,555
II	Other Income	25	7,344	4,842
III	Total Income (I + II)		384,190	251,397
IV	EXPENSES			
	a. Cost of materials consumed	26	187,385	116,727
	b. Changes in inventories of finished goods, work-in- progress and stock-in-trade	27	(37,100)	(16,017)
	c. Employee benefit expense	28	54,537	48,756
	d. Finance costs	29	694	330
	e. Depreciation and amortisation expense	3	15,381	16,040
	f. Other expenses	30	141,493	68,301
V	Total Expenses (IV)		362,391	234,137
VI	Profit/(loss) before tax (III - IV)		21,800	17,260
	Tax Expense	17		
	(1) Current tax		7,327	6,171
	(2) Excess provision for tax relating to prior years		168	(757)
	(3) Deferred tax		(1,904)	(1,677)
VII	Total tax expense		5,591	3,737
	Profit/(loss) for the period (V - VI)		16,209	13,523
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		159	(379)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(40)	95
IX	Total comprehensive income for the period (VII+VIII(i)+VIII(ii))		16,327	13,239
X	Earnings per equity share (for continuing operation):			
	1) Basic		3.32	2.69
	2) Diluted		3.32	2.69

In terms of our report attached

For B. K. KHARE & CO.
Chartered Accountants
(FR No. 105102W)

Aniruddha Joshi
Partner
Membership No. : 040852

Mumbai, Date: May 25, 2023

For and on behalf of the Board of Directors

Adi F. Madan
(Managing Director)
DIN : 00023629

Ajit P. Walwaikar
(Director)
DIN : 00022123

Bhavik R. Maisuria
(Chief Financial Officer)
Mumbai, Date: May 25, 2023

Ayesha K. DadyBurjor
(Whole Time Director)
DIN : 02949248

Pheroze A. Dhanbhoora
(Director)
DIN : 00622769

Kaizad R. DadyBurjor
(Director)
DIN : 00022387

Harish H. Shah
(Director)
DIN : 03032200

Naman Bhandari
(Company Secretary)



Cash flow statement for the year ended March 31, 2023

(₹ 000)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
A	Cash Flow from Operating Activities		
	Profit before exceptional item and tax	21,800	17,260
	<u>Adjustments for:</u>		
	Depreciation and Amortisation expenses	15,381	16,040
	(Profit)/Loss on property, plant and equipment sold/scrapped/written off (Net)	-	(7)
	(Gain)/Loss on foreign exchange fluctuations (Net)	(1167)	2,236
	Net gain/(loss) arising on financial assets measured at fair value through profit or loss	159	(379)
	Finance costs	694	330
	Interest Income	(917)	(1,119)
	Liabilities/Provisions no longer required written back	7	9
	Operating Profit before change in Working Capital	35,957	34,370
	<u>Changes in:</u>		
	Trade and other receivables	(9,318)	(10,857)
	Inventories	(52,729)	(29,578)
	Trade and other payables	16,377	11,362
		(45,670)	(29,073)
	Cash generated from operations	(9,712)	5,297
	Net income tax paid	(7,524)	(4,815)
	Net Cash flow from Operating Activities	(17,236)	482
B	Cash Flow from Investing Activities		
	Payments to acquire property, plant and equipment and other intangible assets	(3,118)	(66)
	Proceeds from disposal of property, plant and equipment and other intangible assets	4	75
	Changes in earmarked balances and margin accounts with banks		
	- Placed	35,588	16,085
	- Matured	(30,324)	(17,339)
	Interest received on Fixed Deposits	582	1,607
	Net Cash used in Investing Activities	2,732	362
C	Cash Flow from Financing Activities		
	Repayment of long-term borrowing (including current maturities)	(750)	(686)
	Proceeds from short term borrowings	-	(73)
	Dividend and tax on dividend paid	(5,171)	(324)
	Finance cost	(694)	(323)
	Net Cash used in Financing Activities	(6,615)	(1,406)
	Net (decrease)/increase in cash and cash equivalents	(21,119)	(562)
	CASH AND CASH EQUIVALENTS:		
	Opening Balance	43,097	43,659
	Closing Balance	21,978	43,097

Note: The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows. Also refer Note 9.

In terms of our report attached

For and on behalf of the Board of Directors

For B. K. KHARE & CO.
Chartered Accountants
(FR No. 105102W)

Adi F. Madan
(Managing Director)
DIN : 00023629

Ayesha K. DadyBurjor
(Whole Time Director)
DIN : 02949248

Kaizad R. DadyBurjor
(Director)
DIN : 00022387

Aniruddha Joshi
Partner
Membership No. : 040852

Ajit P. Walwaikar
(Director)
DIN : 00022123

Pheroze A. Dhanbhoora
(Director)
DIN : 00622769

Harish H. Shah
(Director)
DIN : 03032200

Mumbai, Date: May 25, 2023

Bhavik R. Maisuria
(Chief Financial Officer)
Mumbai, Date: May 25, 2023

Naman Bhandari
(Company Secretary)

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****1. Corporate Information**

Virat Industries Limited ("the Company") is a public Company listed on the Bombay Stock Exchange. The Company is a manufacturer and Exporter of premium quality of dress and sport socks for Men, Ladies and Children. The Company also manufactures high quality football socks for many clubs of Europe. The socks are knitted and processed on imported machinery. The socks of the Company are exported to Switzerland, U.K and Gulf countries for top end markets.

The manufacturing activity and Registered Office of the Company are located in Navsari, South Gujarat. The Head Office of the Company is situated in Mumbai. The marketing function is carried out at the Mumbai Head Office.

2.1 Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from April 1, 2017.

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 inputs are significant inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****2.2 Use of Estimates and Judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions are set out in the accounting policies below, together with the related notes to the accounts. Significant items include:

- The Company has ongoing litigations with various revenue authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.
- The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the income statement and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- The depreciation charge on tangible property plant and equipment is determined based on useful lives of such assets. The Company is required to determine the useful life/period over which an asset is expected to be available for use by the Company.

2.3 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Accordingly the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to its present location and condition.

Raw material is valued at lower of cost and net realisable value Cost is determined on the method of weighted average basis.

Finished goods and work in progress are carried at cost or net realisable value, whichever is lower. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value is the estimated selling price less estimated costs for completion and sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Obsolete, slow moving and defective inventories are identified at the time of periodic physical verification of inventories and, where necessary, a markdown is made for such inventories.

2.5 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Property Plant and Equipment – Tangible Assets

Property, plant & equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will be realized. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the statement of Profit & Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date.

2.7 Impairment of Assets

The carrying value of assets/cash generating unit at each balance sheet date is reviewed for impairment. The company determines whether a provision should be made for impairment loss on assets by considering the indication that an impairment loss may have occurred in accordance with Indian Accounting Standard (Ind AS) 36 "Impairment of Assets". Where the recoverable amount of any assets is lower than its carrying amount in accordance with Ind AS 36, a provision for impairment loss on fixed assets is made for the difference. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to avail from continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

Where there is an indication that the impairment was recognised in an earlier accounting period no longer exists or may have decreased, such reversal of impairment lost is recognised in the statement of profit and loss.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****2.8 Leases**

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognized as property, plant and equipment in the balance sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

2.9 Borrowing Costs

Borrowing cost, if any, that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit and Loss.

2.10 Foreign Currency Transactions

The financial statements are presented in Indian Rupees (INR), which is the presentational currency of the Company. The Company account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognized in the Statement of Profit and Loss. Non – monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and not retranslated at closing rates.

2.11 Employee benefits

The Company makes contributions to both defined benefit and defined contribution schemes. Certain defined benefit plans are administered through duly constituted and approved Trusts.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out by an independent actuary at each balance sheet date.

Actuarial gains and losses are recognised immediately through Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded.

2.12 Revenue Recognition

Revenue is recognised at fair value of amounts received and receivable from third parties for goods supplied and services rendered and is net off returns and discounts if any.

Revenue from the sale of goods includes excise and other duties which the Company pays as principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax and goods and services tax.

Revenue from the sales of goods is recognised in the income statement when significant risks and rewards of ownership of the goods have been transferred to the buyer, which is mainly upon shipment. Revenue from service are recognised in the period in which services are rendered.

Discounts include sales rebates, price discounts, customer incentives, certain promotional activities and similar items. The methodology and assumptions used to estimate sales rebates, price discounts, customer incentives, certain promotional activities and similar items are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

"Ind AS 115, 'Revenue from Contracts with Customers': On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers of the Company."

The standard permits two possible methods of transaction:

- a) Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- b) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach)

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****Other Income Operating Income**

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.13 Other Income

Interest income is recognised on an accrual basis by applying the effective interest rate, except for short-term financial assets, when the recognition of interest would be immaterial.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments “at fair value through income statement”.

2.14 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

2.15 Investments and Other Financial Assets**Classification**

The Company determines the classification of its financial assets at initial recognition. The financial assets are classified in the following measurement categories as:

- those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss], and
- those subsequently measured at amortised cost.

The classification of debt instruments is based on the business model and terms of the contractual cash flows. Reclassification of debt instrument, if any, is done when the business model for managing those assets change.

Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI or fair value through profit or loss.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus costs that are directly attributable to the acquisition of the financial asset. However, in the case of a financial asset measured at fair value through profit or loss, the transaction costs are expensed immediately in statement of profit or loss. Subsequent measurement of financial assets is determined by their respective classification.

Debt Instruments

Subsequent measurement of debt instruments is in accordance with the Company's business model for managing the asset and the contractual cash flows characteristics of the asset. There are three measurement categories into which the company may classify its debt instruments:

- **Amortised Cost:** Assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding. A gain or loss on a debt instrument that is measured at amortised cost and is not a part of hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **Fair Value through Other Comprehensive Income:** Assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses and interest income which are recognized in profit or loss. Interest income from these assets is included in other income using the effective interest rate method. When the asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss.
- **Fair Value through Profit or Loss:** Financial assets which are not classified as measured at amortised cost or fair value through other comprehensive income are classified as fair value through profit or loss. Movements in fair value of these assets are taken in profit or loss.

Equity Instruments

Equity instruments which are not investment in subsidiaries, associates and joint operations are measured at fair value. At the time of initial recognition, the Company makes an irrecoverable election for classification of an equity investment as fair value through profit or loss or fair value through OCI.

Movement in fair value of equity investments which are classified as fair value through profit or loss are recognized in other gains and losses in the statement of profit or loss.

Where the Company has elected to present fair value gains and losses on equity investments in OCI, the movement in fair value is recognized in OCI. At time of derecognition, there is no subsequent reclassification of cumulative fair value gains and losses recognized in OCI to statement of profit or loss. The cumulative gains or losses recognized in OCI is transferred within equity on such derecognition. Impairment losses (and reversals thereto) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT****Loans and Receivables**

Loans and receivables are non – derivative financial asset with fixed or determinable payments that are not quoted in an active market. Trade receivables and loans are initially measured at transaction value, which is the fair value and subsequently retained at cost less appropriate allowance for credit losses as most loans and receivables of the Company are current in nature. Where significant, non – current loans and receivables are accounted for at amortised cost using effective interest rate method less appropriate allowance for credit losses. Interest is accounted for on the basis of contractual terms, where applicable and is included in interest income.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its investments in debt instruments which are carried at amortised cost and FVTOCI. Impairment losses are recognized in the profit or loss where there is an objective evidence of impairment, such as where the issuer is in default or other significant financial difficulty. The impairment methodology applied depends on whether there has been a significant increase in credit risk and provision is made on an item by item basis. For such assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Depending on product categories and the payment mechanism prevailing in the industry, provisions for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the due amounts. If in a subsequent period, the amount of impairment loss reduces, the previously recognized loss is reversed by adjusting the allowance.

Derecognition of financial assets

A financial asset is derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all risks and rewards of ownership of the financial asset are transferred to another party or (c) despite having retained some significant risks and rewards, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Income recognition

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Dividend income is recognized in profit or loss as other income only when the Company's right to receive payments is established and the amount of dividend can be measured reliably.

Financial Liability and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs. Financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost unless they fulfill the requirement of measurement at fair value through profit or loss. Subsequent measurement of the financial liabilities depends upon whether they have been classified at amortised cost or at fair

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

value through profit or loss. Where the financial liability has been measured at amortised cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the income statement over the contractual terms using the effective interest rate method. Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognized in the finance income or finance cost in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.16 Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.17 Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

To comply with the principles of 'fair value hedge', 'cash flow hedge' or 'hedges of net investments in foreign operations' where derivative contracts are designated as hedge instruments, depending upon documented risk management objective and hedge relationship established at inception and which are highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Embedded Derivatives

Derivatives embedded in non – derivative host contracts that are not financial assets within the scope of IndAS 109 "Financial Instruments" are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.18 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. The CODM reviews the segments primarily from a business similarity perspective as well as from a geographic perspective.

Segment revenue is reported on the same basis as revenue in the financial statements. Segment results represents profits before finance charges, investment income and taxes. Inter-segment revenue is accounted for on the basis of transactions which are primarily market led.

“Unallocated Corporate Expenses” revenue and expenses relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

2.19 Dividend Distribution

To recognised Dividends paid (including income tax thereon) in the financial statements in the period in which the related dividends are actually paid or, in respect of the Company's final dividend for the year, when the same are approved by shareholders.

3. Property, Plant and Equipment and capital work-in-progress

Carrying amounts of :

(₹ 000)

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles (owned)	Vehicles (Under Finance Lease)	Total
As at 31 March 2023							
Gross Carrying Amount	37,403	185,488	3,585	5,442	8,394	6,190	246,502
Accumulated depreciation and impairment	27,601	156,156	3,250	4,428	6,770	2,287	200,492
Net carrying amount (I-II)	9,802	29,332	335	1,014	1,624	3,903	46,010
As at 31 March 2022							
Gross Carrying Amount	37,403	182,564	3,527	5,393	8,394	6,190	243,471
Accumulated depreciation and impairment	26,409	143,983	3,288	4,181	5,780	1,552	185,193
Net carrying amount (I-II)	10,994	38,581	239	1,212	2,614	4,638	58,278



Notes forming part of the financial statement

(₹ 000)

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles (owned)	Vehicles (Under Finance Lease)	Total
Cost or Deemed Cost							
I. Gross Carrying Amount							
Balance as at 1 April 2022	37,403	182,564	3,527	5,393	8,394	6,190	243,471
Additions	-	2,924	144	49	-	-	3,117
Disposals	-	-	86	-	-	-	86
Others	-	-	-	-	-	-	-
Balance as at 31 March 2023	37,403	185,488	3,585	5,442	8,394	6,190	246,502
II. Accumulated depreciation and impairment							
Balance as at 1 April 2022	26,409	143,983	3,288	4,181	5,780	1,552	185,193
Depreciation expense for the year	1,192	12,173	44	247	990	735	15,381
Addition in accumulated depreciation	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	-	82	-	-	-	82
Others	-	-	-	-	-	-	-
Balance as at 31 March 2023	27,601	156,156	3,250	4,428	6,770	2,287	200,492
III. Net carrying amount (I-II)	9,802	29,332	335	1,014	1,624	3,903	46,010

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles (owned)	Vehicles (Under Finance Lease)	Total
Cost or Deemed Cost							
I. Gross Carrying Amount							
Balance as at 1 April 2021	37,403	182,564	3,461	5,393	9,752	6,190	244,763
Additions	-	-	66	-	-	-	66
Disposals	-	-	-	-	1,358	-	1,358
Others	-	-	-	-	-	-	-
Balance as at 31 March 2022	37,403	182,564	3,527	5,393	8,394	6,190	243,471
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	25,216	131,187	3,220	3,923	6,080	817	170,443
Depreciation expense for the year	1,193	12,796	68	258	990	735	16,040
Addition in accumulated depreciation	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	-	1,290	-	1,290
Others	-	-	-	-	-	-	-
Balance as at 31 March 2022	26,409	143,983	3,288	4,181	5,780	1,552	185,193
III. Net carrying amount (I-II)	10,994	38,581	239	1,212	2,614	4,638	58,278



Notes forming part of the financial statement

4. Non-Current Loans

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Loans to Employee		
- Secured, considered good	-	-
- Unsecured, considered good	450	-
- Doubtful	-	-
Less: Allowance for Bad and doubtful loans	-	-
Total	450	-

5. Other Non-Current Financial Assets

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit	2,329	2,329
Total	2,329	2,329

6. Other Non-Current Assets

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income-tax (net)	1,488	1,123
Total	1,488	1,123

7. Inventories

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Raw materials	46,743	31,879
(b) Goods in transit as above	194	-
(c) Work-in-progress (Knitted Socks)	2,331	2,204
(d) Finished goods	79,394	42,421
(e) Stores and spares	9,314	7,433
(f) Goods in transit as above	86	333
(g) Packing Material	3,253	4,397
(h) Goods in transit as above	81	-
Total Inventories (at lower of cost and net realisable value)	141,396	88,667

8. Trade receivables

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
(a) Considered good – Secured	-	-
(b) Considered good - Unsecured	47,464	38,836
(c) Significant increase in Credit Risk	-	-
(d) Credit impaired	-	-
Less: Allowance for expected credit loss	(368)	(368)
Total	47,096	38,468
Of the above, trade receivables from:		
- Related Parties	-	-
- Others	47,096	38,468
Total	47,096	38,468



Notes forming part of the financial statement

Age-wise Trade Receivables are as under:

	As at 31 March 2023				
	> 6 months	6 months - 1 year	1 – 2 Years	2 – 3 Years	Total
Undisputed Trade receivables					
considered good	45,021	852	808	415	47,096
which have significant increase in credit risk	-	-	-	-	-
credit impaired	-	-	-	-	-
Disputed Trade Receivables					
considered good	-	-	-	368	368
which have significant increase in credit risk	-	-	-	-	-
credit impaired	-	-	-	-	-
	45,021	852	808	783	47,464

	As at 31 March 2022				
	> 6 months	6 months - 1 year	1 – 2 Years	2 – 3 Years	Total
Undisputed Trade receivables					
considered good	21,107	79	17,076	206	38,468
which have significant increase in credit risk	-	-	-	-	-
credit impaired	-	-	-	-	-
Disputed Trade Receivables					
considered good	-	-	-	368	368
which have significant increase in credit risk	-	-	-	-	-
credit impaired	-	-	-	-	-
	21,107	79	17,076	574	38,836

9. Cash and Bank Balances

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
(a) Balances with banks	21,978	43,097
(b) Cash on hand	-	-
Total Cash and cash equivalent	21,978	43,097
Other Bank Balances		
(a) Earmarked balances with banks	1,548	1,795
(b) Balances with Banks:		
(i) On Margin Accounts	2,085	1,566
(ii) Fixed Deposits with maturity greater than 3 months (Refer Note below)"	11,814	17,350
Total Other Bank balances	15,447	20,711

Note:

Other Bank balance include deposits with remaining of more than 12 months from the balance sheet date NIL (Previous Year NIL).



Notes forming part of the financial statement

Reconciliation of Cash and Cash Equivalents

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Total Cash and Cash Equivalents as per Balance Sheet	21,978	43,097
Total Cash and Cash Equivalents as per Statement of Cashflow	21,978	43,097

10. Current Loans

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Loans to Employee		
- Unsecured, considered good	247	9
- Doubtful	-	-
Less: Allowance for Bad and doubtful loans	-	-
Total (A)	247	9
b) Other Loans		
- Secured, considered good	-	-
- Unsecured, considered good	2,500	2,500
- Doubtful	(2,500)	(2,500)
Total (B)	-	-
Grand Total	247	9

11. Other Current Financial Assets

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
➤ Security Deposit	1,363	1,096
➤ Advances	71	64
➤ Others		
• Interest accrued on deposits	424	89
• Interest accrued on ICD	68	68
• Less: Provision for doubtful Interest	(68)	(68)
Total	1,858	1,249

12. Other Current Assets

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
(A) others		
a. Prepaid expenses (includes Lease Land)	1,590	1,498
b. Balances with government authorities		
➤ Duty Drawback (Customs)	183	1,422
➤ GST Receivable	17,758	10,616
➤ Rebate of State and Central Taxes & Levies (ROSCTL)	5,668	10,063
➤ Advances against suppliers	-	123
Total	25,199	23,722



Notes forming part of the financial statement

13. Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	₹'000	Number	₹'000
(a) Authorised Equity Shares of ₹ 10/- each with voting rights	5,000,000	50,000	5,000,000	50000
(b) Issued, Subscribed and Paid Up Equity Shares of ₹ 10/- each with voting rights	4,923,340	49,233	4,923,340	49233
Total	4,923,340	49,233	4,923,340	49233

13.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Balance at 1 April 2022		
• Number of Shares	4,923,340	4,923,340
• Amount in Thousand (₹'000)	49,233	49,233
Balance at 31 March 2023		
• Number of Shares	4,923,340	4,923,340
• Amount in Thousand (₹'000)	49,233	49,233

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back in the 5 years immediately preceding the balance sheet date.

Terms and rights attached to equity shares

The equity shares of the Company rank pari passu in all respects including voting rights and entitlement to dividend.

13.2 Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity shares with voting rights				
BT Capital Managers Pvt. Ltd.	1,001,750	20.35	1,001,750	20.35
Shapoorjee Chandabhoj Finvest Private Limited	753,795	15.31	753,795	15.31
H M Investments (UK) Limited	470,000	9.55	492,340	10.00
Shri. Armand N. Aga	267,678	5.43	267,678	5.43



Notes forming part of the financial statement

13.3 Details of shares held by Promoters and Promoters group holding as at 31 March 2023

Name of Promoters	As at 31 March 2023		As at 31 March 2022		% Change During the year
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	
Shapoorjee Chandabhoy Finvest Private Limited	753,795	15.31	753,795	15.31	-
Armand Naozer Aga	267,678	5.44	267,678	5.44	-
Ayesha K DadyBurjor	242,252	4.92	242,252	4.92	-
Kaizad R DadyBurjor	53,004	1.08	53,004	1.08	-
Rusi H DadyBurjor	11,000	0.22	11,000	0.22	-
Zenobia R DadyBurjor	11,000	0.22	11,000	0.22	-

14. Other Equity

(₹ 000)

Particulars	As at 31 March 2023	As at 31 March 2022
General Reserve		
Opening balance	9,839	9,839
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	9,839	9,839
Surplus in Statement of Profit and Loss		
Opening balance	179,491	166,253
Add: Profit for the year	16,209	13,522
Balance available for appropriation	195,700	179,775
Less: Dividend	4,923	-
	190,777	179,775
Other Comprehensive Income		
Add: Remeasurements of the defined benefit liabilities/ (asset)	159	(379)
Less: Deferred tax adjustment	(40)	95
Closing balance	190,896	179,491
Total Other equity	200,735	189,330

15. Non-Current Borrowings

(₹ 000)

Particulars	Rate of Interest	As at 31 March 2023	As at 31 March 2022
Measured at amortised cost*			
A. Secured Borrowings:			
(a) Term Loans			
- From Axis Bank Limited	8.96	808	1,628
(Secured by hypothecation of the concerned vehicle purchased)			
(Terms of Payment: Equated Monthly Installments of ₹ 77,771/- payable in 60 equal installments at interest rate of 8.96% per annum, 23 installments are remaining.)			
Total Secured Borrowings (Refer note no. 36)		808	1,628



Notes forming part of the financial statement

16. Provisions

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits		
Provision for Compensated Absences	1,637	1,583
TOTAL	1,637	1,583

17. Current Tax and Deferred Tax

(i) Current Tax

(a) Tax expense recognised in Statement of profit and loss comprises:

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Current tax	7,327	6,171
Short provision for tax relating to prior years	168	(757)
Total	7,495	5,414

(b) Reconciliation of effective tax rate

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax (₹' 000)	21,800	17,260
Applicable tax rate*	25.17%	25.17%
Computed tax expense (₹' 000)	5,487	4,344
Others** (₹' 000)	1,840	1,827
Tax expense for the year	7,327	6,171
Effective tax rate	33.61%	35.75%

* The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for year ended 31st March, 2023.

** Others includes refunds, adjustment due to completed assessments and impact of rate change.

(ii) Movement in deferred tax balances

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Assets/(Liabilities)	2,752	888



Notes forming part of the financial statement

(₹' 000)

Particulars	As at 31 March 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	1,489	(1,867)	-	(378)
	1,489	(1,867)	-	(378)
Tax effect of items constituting deferred tax assets				
Employee Benefits	485	58	(40)	503
Provisions for doubtful debts and other current asset	646	-	-	646
Other Temporary Differences (Other disallowances under Section 43B of the Income Tax Act, 1961)	1,246	(21)	-	1,225
	2,377	37	(40)	2,374
Net Tax Asset Assets/(Liabilities)	888	1,904	(40)	2,752

(₹' 000)

Particulars	As at 31 March 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	3,213	(1,724)	-	1,489
	3,213	(1,724)	-	1,489
Tax effect of items constituting deferred tax assets				
Employee Benefits	460	(71)	95	485
Provisions for doubtful debts and other current asset	646	-	-	646
Other Temporary Differences (Other disallowances under Section 43B of the Income Tax Act, 1961)	1,223	23	-	1,246
	2,329	(47)	95	2,377
Net Tax Asset Assets/(Liabilities)	(884)	1,677	95	888

18. Other non-current liabilities

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Others		
• Trade/Security deposits received	100	100
Total	100	100



Notes forming part of the financial statement

19. Borrowings

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand		
• From Banks Secured (Secured by deposit of title deeds of leasehold land and by a charge on buildings, structures, fixtures and fittings, immovable plant and machinery thereon. Such loans are further secured by a charge on the company's stocks, book debts, other receivables, movable properties and assets, etc., both present and future)	-	-
Total	-	-

20. Trade Payables

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payable - Micro and small enterprises (Refer note no.32)	400	217
Trade payable - Other than micro and small enterprises	36,808	20,057
Total	37,208	20,274

Age-wise Trade Payables are as under:

(₹' 000)

Sr. No.	Particulars	As at 31 March 2023		
		Less than 1 year	1 – 2 Years	Total
i.	MSME	400	-	400
ii.	Others	36,808	-	36,808
iii.	Disputed dues — MSME	-	-	-
iv.	Disputed dues — others	-	-	-
	Total	37,208	-	37,208

Sr. No.	Particulars	As at 31 March 2022		
		Less than 1 year	1 – 2 Years	Total
i.	MSME	217	-	217
ii.	Others	19,890	167	20,057
iii.	Disputed dues — MSME	-	-	-
iv.	Disputed dues — others	-	-	-
	Total	20,107	167	20,274

21. Other Financial Liabilities

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
a. Current maturities of finance lease obligations (Refer Note No. 36)	821	751
b. Salary/wages payable	8,465	8,321
c. Unclaimed/Unpaid dividends	1,548	1,795
Total	10,834	10,867



Notes forming part of the financial statement

22. Provisions

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for Compensated Absences	331	156
Total	331	156

23. Other Current Liabilities

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Advances received from customers	1,055	2,305
(b) Deferred Income for EPCG grant	1,245	1,245
(c) Statutory dues		
- taxes payable (other than income taxes)	445	288
- Gratuity (Refer Note no. 33(b))	1,412	911
- Exchange loss payable on FC	578	-
- Employee Recoveries and Employer Contributions	629	621
Total	5,364	5,370

24. Revenue from operations

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Sale of Products (Refer Note (i) below)	354,990	231,810
(b) Other Operating Revenues (Refer Note (ii) below)	21,856	14,745
Total	376,846	246,555

(₹' 000)

Note	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i)	Sale of products comprises		
	Manufactured goods - Knitted Socks		
	Export Sales	331,735	209,496
	Domestic Sales	23,255	22,314
	Total - Sale of manufactured goods	354,990	231,810
	Traded goods - Knitted Socks	-	-
	Total - Sale of products	354,990	231,810
(ii)	Other operating revenues comprise:		
	Duty drawback	8,113	5,101
	Rebate of State Lavies (ROSCTL/RODTEP)	11,936	6,808
	Job Work Income	50	589
	Samples Development Income	1,757	2,247
	Total - Other operating revenues	21,856	14,745



Notes forming part of the financial statement

25. Other Income

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Income (Refer Note (i) below)	917	1,120
Net gain on foreign currency transactions and translation	3,775	2,494
Other Non-operating Income (Refer Note (ii) below)	2,652	1,228
Total	7,344	4,842

Note	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i)	<u>Interest Income comprises:</u>		
	Interest from banks on Deposits	766	888
	Interest from loans and advances	151	104
	Interest from Direct/Indirect taxes refund	-	128
	Total - Interest Income	917	1,120
(ii)	<u>Other non-operating income comprises:</u>		
	Gain on disposal of property, plant and equipment	-	7
	Miscellaneous Income	2,652	1,221
	Total - Other non-operating Income	2,652	1,228

26. Cost of Materials Consumed

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Stock	31,879	20,510
Add: Purchases	202,443	128,096
	234,322	148,606
Less: Closing Stock	46,937	31,879
Cost of Materials Consumed	187,385	116,727

Material Consumed comprises of yarn only.

27. Changes in inventories of finished goods and work in progress

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year		
Finished goods	79,394	42,421
Work-in-progress	2,331	2,204
	81,725	44,625
Inventories at the beginning of the year		
Finished goods	42,421	27,263
Work-in-progress	2,204	1,345
	44,625	28,608
Net (Increase)/Decrease	(37,100)	(16,017)



Notes forming part of the financial statement

28. Employee Benefits Expense

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	49,033	43,637
Contribution to Provident and other funds (Refer Note No.33(a))	2,774	2,697
Staff welfare expenses	2,730	2,422
Total	54,537	48,756

29. Finance Costs

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Expense on:		
- borrowings	623	218
- Others	9	14
Other borrowing costs	62	98
Total	694	330

30. Other Expenses

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	7,585	5,210
Consumption of packing materials	22,889	12,565
Processing Charges	45,485	8,107
Power and Fuel	22,876	16,392
Lease Rent	2,219	1,928
Repairs:		
- To Buildings	-	297
- To Machinery	623	571
- To Others	149	149
Insurance	1,044	1,126
Rates and taxes	521	614
Carriage Outward	21,869	11,108
Sales expenses	4,264	2,085
Legal and professional fees	3,184	1,367
Payment to Auditors	1,100	825
Travelling and Conveyance Expenses	1,560	143
Miscellaneous expenses	6,125	5,814
Total	141,493	68,301



Notes forming part of the financial statement

Payment to Auditor

(₹' 000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Payment to the auditors comprises:		
(a) To Statutory Auditors		
- For Audit	500	375
- For taxation matters	275	125
- For other services	325	325
Total	1100	825

Additional information to the financial statements

31. Contingent Liabilities and Commitments (to the extent not provided for)

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
• Contingent Liabilities		
Claims against the company not acknowledged as debt	-	-
• Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

32. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	400	217
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed date	-	-
iv. The amount of interest due and payable for the year	-	-
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



Notes forming part of the financial statement

33. Employee Benefit Plans**a. Defined Contribution Plan**

The Company makes Provident fund and other funds contributions to defined contribution plans for qualifying employees. The Company recognised (₹ '000) **2,774** (Year ended 31 March, 2022 (₹'000) 2,697) for Provident Fund contributions.

In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

b. Defined Benefit Plan: Gratuity

Provision is made for gratuity and compensated absences based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit' method and it covers all regular employees. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of profit and loss.

The Company has funded gratuity with Life Insurance Corporation of India.

The disclosures as required under revised Indian Accounting Standard 19 on "Employee Benefits" are as follows:

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

(In ₹'000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Gratuity	
Components of employer expense		
Current Service Cost	668	617
Interest Cost	850	709
Interest Income	(783)	(692)
Total Expense recognized in the Statement of Profit and Loss	735	634
Return on Plan Assets, Excluding Interest Income	164	93
Actuarial Losses/(Gain)	(323)	284
Total Expense recognized in the Other Comprehensive Income(OCI)	(159)	377
Actual contribution and benefit payments for year		
Actual benefit payments	342	217
Actual contributions	75	345



Notes forming part of the financial statement

(In ₹'000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(12,482)	(11,629)
Fair value of plan assets	11,070	10,717
Funded status [Surplus / (Deficit)]	(1,412)	(912)
Net asset / (liability) recognised in the Balance Sheet	(1,412)	(912)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	11,629	10,236
Current Service Cost	668	617
Interest Cost	850	709
Benefit Paid	(342)	(217)
Actuarial Losses/(Gain)	(323)	284
Present value of DBO at end of the year	12,482	11,629
Change in fair value of assets during the year		
Fair value of Plan assets at beginning of the year	10,717	9,992
Expected Return on Plan Assets	620	597
Actual company contributions	75	345
Benefit Paid from the Fund	(342)	(217)
Fair value of Plan assets at the end of the year	11,070	10,717
Category of Assets		
Insurance Fund	11,070	10,717
Actuarial Assumptions:		
Discount Rate (p.a.)	7.31%	6.93%
Salary Escalation Rate (p.a.)	4.50%	4.00%
Attrition Rate (p.a.) For Service 4 years and below	8.00%	8.00%
For Service 5 years and above	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2012 - 14) Urban	Indian Assured Lives Mortality (2012 - 14) Urban

Experience Adjustment:	2022-23	2021-22	2020-21	2019-20	2018-19
On Plan Liability (Gain)/Loss (₹)	(159)	379	(299)	(281)	(529)



Notes forming part of the financial statement

34. Segment information

The principal business of the company is of manufacturing of socks. All other activities of the Company revolve around its main business. Hence, there is only one primary reportable business segment as defined by Indian Accounting Standard (Ind AS) 108 - "Segment Reporting". The segment reporting is consistent with the internal reporting provided to the Managing Director regarded as the Chief Operating Decision Maker("CODM").

The Secondary Segment are identified based on the geographical location of customers. The secondary geographical segments of the company consist of regions of United Kingdom, Switzerland, UAE, India and Rest of the World.

Secondary Segments information is as follows –

(In ₹'000)			
Particulars	Revenues	Segment Assets (Trade Receivable)	Cost incurred on acquisition of Property, Plant and Equipment
United Kingdom	131,163 (88,377)	37,753 (27,123)	- (-)
Switzerland	166,377 (100,128)	3,117 (424)	- (-)
India	23,255 (22,756)	3,850 (3,151)	3,117 (66)
Rest of the World	34,195 (20,549)	2,744 (8,138)	- (-)
Total	354,990 (231,810)	47,464 (38,836)	3,117 (66)

Previous year figures are given in brackets.

Segregation of assets (except trade receivable) into secondary segments has not been done as all the assets are located and used in India and the Company is of the view that it is not practical to reasonably allocate such assets and an ad-hoc allocation will not be meaningful.

Information about major customers

Included in revenues arising from direct sales of knitted socks of **(In ₹'000) 166377, 58979, 41014 and 22481** (2021–2022 : (In ₹'000) 100128, 64443, Nil and 26424) are revenues of approximately **(In ₹'000) 288851** (2021–2022: (In ₹' 000) 190995) which arose from Federation of Migros Co – operative Society, Buffalo Private Label Limited, T. K. Max and HM Sox Limited. No other single customers contributed 10% or more to the revenue for both 2022 – 2023 and 2021 – 2022.



Notes forming part of the financial statement

35. Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Promoter Company	Shapoorjee Chandabhoy Finvest Private Limited
Key Management Personnel (KMP) and their Relatives	<u>Key Management Personnel:</u> Shri. Adi F. Madan - Managing Director Smt. Ayesha K. DadyBurjor - Whole Time Director <u>Their Relatives:</u> Shri. Armand N. Aga Shri. Kaizad R. DadyBurjor Smt. Ayesha A. Madan Shri. Jehan Adi Madan Smt. Zenobia R. DadyBurjor Shri. Rusi H DadyBurjor
Entities over which promoter group has significant influence	Armayesh Embroideries Private Limited

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended March 31, 2023 and balances outstanding as at March 31, 2023:

(in ₹ 000)

Particulars	Promoter Company	Associates	KMP and their Relatives	Entities over which promoter group has significant influence	Total
Transactions during the year					
Expenditure:					
Managerial Remuneration					
Mr. Adi F. Madan	-	-	4,137	-	4,137
	(-)	(-)	(4,403)	(-)	(4,403)
Mrs. Ayesha K. DadyBurjor	-	-	1,698	-	1,698
	(-)	(-)	(1,698)	(-)	(1,698)
Mr. Armand N. Aga	-	-	244	-	244
	(-)	(-)	(-)	(-)	(-)
Other Transactions:					
Dividend Paid:					
Shapoorjee Chandabhoy	754	-	-	-	754
Finvest Private Ltd.	(-)	(-)	(-)	(-)	(-)
Armand Naozer Aga	-	-	268	-	268
	(-)	(-)	(-)	(-)	(-)
Ayesha Kaizad DadyBurjor	-	-	243	-	243
	(-)	(-)	(-)	(-)	(-)



Notes forming part of the financial statement

(in ₹ 000)

Particulars	Promoter Company	Associates	KMP and their Relatives	Entities over which promoter group has significant influence	Total
Adi Madan	-	-	118	-	118
	(-)	(-)	(-)	(-)	(-)
Kaizad R DadyBurjor	-	-	53	-	53
	(-)	(-)	(-)	(-)	(-)
Zenobia R DadyBurjor	-	-	11	-	11
	(-)	(-)	(-)	(-)	(-)
Rusi H DadyBurjor	-	-	11	-	11
	(-)	(-)	(-)	(-)	(-)
Ayesha Madan	-	-	8	-	8
	(-)	(-)	(-)	(-)	(-)
Jehan Adi Madan	-	-	8	-	8
	(-)	(-)	(-)	(-)	(-)
Balances outstanding at the end of the year					
Managerial Remuneration Payable					
Mr. Adi F. Madan	-	-	266	-	266
	(-)	(-)	(223)	(-)	(223)
Mrs. Ayesha K. DadyBurjor	-	-	118	-	118
	(-)	(-)	(120)	(-)	(120)
Mr. Armand N. Aga	-	-	75	-	75
	(-)	(-)	(-)	(-)	(-)

Note: Figures in bracket relates to the previous year

36. Details of leasing arrangements

As Lessee

The Company has entered into finance lease arrangements for vehicles, which provide the Company an option to purchase the asset at the end of the lease period.

(in ₹ 000)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Future minimum lease payments		
not later than one year	934	939
later than one year and not later than five years	844	1,777
Less: Unmatured finance charges		
not later than one year	113	188
later than one year and not later than five years	36	148
Present value of minimum lease payments payable		
not later than one year	821	751
later than one year and not later than five years	808	1,629



Notes forming part of the financial statement

The Ministry of Corporate Affairs notified Ind AS 116 “Leases” in respect of accounting periods commencing on or after April 1, 2019 superseding Ind AS 17 “Leases”.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today’s accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt IND AS 116, effective annual reporting period beginning April 1, 2019. **The Company has chosen the modified retrospective application of IND AS 116. Consequently, the Company will not restate the comparative information, instead, the cumulative effect of initially applying this Standard will be recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019.**

The Company will make use of the practical expedient available on transition to IND AS 116 not to reassess whether a contract is or contains a lease. **Accordingly, the Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17 before April 1, 2019.**

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment that are considered of low value.

37. Earning per Share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Basic and Diluted		
a) Net Profit for the year attributable to the equity shareholders (₹'000)	16,327	13,239
b) Weighted average number of Equity Shares basic and diluted	4,923,340	4,923,340
c) Earnings per Share - Basic and diluted (Equity Share of face value of ₹ 10/- each)	3.32	2.69



Notes forming part of the financial statement

38. The Company has not granted any loans / advances in the nature of loans as stipulated in the Clause 32 of the Listing Agreement with the Stock Exchanges. For this purpose, the loans to employees as per the Company's policy and security deposits paid towards premises taken on leave and license basis have not been considered.

Capital Management and Financial Instrument Disclosures

39. Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound and optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company monitors the total capital as comprising of debt and equity. Debt includes all short term and long term debts. Equity comprises of total shareholders' equity as reported in the financial statements.

The Company is not subject to externally enforced capital regulation.

Total Capital as of March 31, 2023 and March 31, 2022 are as follows:

(in ₹' 000)

Particulars	As at 31 March 2023	As at 31 March 2022
Total Shareholders' Equity as reported in Balance sheet	249,968	238,563
Debt		
Short term debt	-	-
Long term debt (including current portion of long term debt)	1,628	2,378
sub-totat	1,628	2,378
Total Capital	251,596	240,941

40. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks.

All such transactions are carried out within the guidelines set by the Board of Directors. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss."



Notes forming part of the financial statement

Currency Risk

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

(in ₹' 000)				
Particulars	GBP	USD	Others	Total
As at 31 March 2023				
Trade Receivables	40,489	3,126	-	43,615
Advances to Suppliers	-	-	-	-
Trade & Other Payables	259	73	-	332
Total	40,748	3,199	-	43,947
As at 31 March 2022				
Trade Receivables	34,361	1,325	-	35,686
Advances to Suppliers	-	-	-	-
Trade & Other Payables	243	1,533	78	1,854
Total	34,604	2,858	78	37,540

The above year-end foreign currency exposures have not been hedged by derivative instruments or otherwise.

The Company has taken forward contract on year-end foreign currency exposures. The details are as under

(in ₹' 000)				
Particulars	GBP	USD	Others	Total
As at 31 March 2023				
Trade Receivables	10,010	20,222	-	30,232
As at 31 March 2022				
Trade Receivables	-	-	-	-

The above foreign currency forward contract, the Company has accrued loss on foreign currency transaction and translation of (₹'000) **583** (previous year loss on foreign currency transaction and translation of (₹'000) Nil).

Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.



Notes forming part of the financial statement

Trade Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit amounting to Rs. 5 lakh and also certain sales are undertaken based on advance payments from customers, which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

The credit risk on liquid funds such as Fixed deposits with Banks, investment in IRFC Bonds and derivative financial instruments is limited because the counterparties are banks and financial institutions with high credit-ratings.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on ongoing basis. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Liquidity Risk

The Company has established an appropriate liquidity risk management framework for the management of short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(in ₹ 000)

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above
A) Liabilities				
As at 31 March 2023				
Long term borrowings	-	808	-	-
Trade payables	37,078	130	-	-
Other Financial Liabilities	10,834	-	-	-
Total	47,912	938	-	-
As at 31 March 2022				
Long term borrowings	-	1,628	-	-
Trade payables	20,107	167	-	-
Other Financial Liabilities	10,867	-	-	-
Total	30,974	1,795	-	-



Notes forming part of the financial statement

(in ₹ 000)

Particulars	Less than 1 year	1 – 3 Years	3 – 5 Years	5 years and above
B) Assets				
As at 31 March 2023				
Investment	-	-	-	-
Loans	247	450	-	-
Security Deposit	-	-	-	2,329
Trade Receivables	45,533	914	649	-
Cash and cash equivalents	21,978	-	-	-
Bank Fixed Deposits	11,814	-	-	-
Balance with Government Authorities	23,609	-	-	-
Total	103,181	1,364	649	2,329
As at 31 March 2022				
Investment	-	-	-	-
Loans	9	-	-	-
Security Deposit	-	-	-	2,329
Trade Receivables	20,818	17,650	-	-
Cash and cash equivalents	43,097	-	-	-
Bank Fixed Deposits	17,350	-	-	-
Balance with Government Authorities	22,101	-	-	-
Total	103,375	17,650	-	2,329

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

41. Sensitivity Analysis

Foreign Currency Sensitivity

The sensitivity analysis arises on account of outstanding foreign currency denominated assets and liabilities, including derivative contracts. The Company considers a sensitivity of 10% in applicable foreign currency rates, holding all other variables constant.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and AUD exchange rates, with all other variables held constant.



Notes forming part of the financial statement

(in ₹' 000)

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31 March 2023	USD	+10%	305	305
	GBP	+10%	4,023	4,023
	EURO	+10%	-	-
Year ended 31 March 2022	USD	+10%	(21)	(21)
	GBP	+10%	3,412	3,412
	EURO	+10%	(8)	(8)

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Effect on profit before tax	"Effect on pre-tax equity"
Year ended 31 March 2023	INR Foreign Currency*	+50/50bps +25/-25 bps	NA	NA
Year ended 31 March 2022	INR Foreign Currency*	+50/50bps +25/-25 bps	NA	NA

*Note: The Company does not have any foreign currency borrowings hence not applicable.

Offsetting of balances

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously. Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

Our Company has not offset any financial asset and financial liability.



Notes forming part of the financial statement

42. Ratios

Sr. No.	Details	Numerator	Denominator	CY 2022-2023	PY 2021-2022	Change in %
a)	Current Ratio	Current Assets	Current Liabilities	4.71	5.89	(19.98)
b)	Debt-Equity Ratio	Debt	Equity	-	0.01	(100.00)
c)	Debt Service Coverage Ratio	EBITDA	Interest on borrowing	54.56	101.83	(46.42)
d)	Return on Equity Ratio	Net Profit	Avg. Total Equity	6.64	5.83	13.82
e)	Inventory turnover ratio	Net Sales	Inventory	2.51	2.61	(3.97)
f)	Trade Receivables turnover ratio	Net sales	Trade Receivables	7.54	6.03	25.08
g)	Trade payables turnover ratio	Net Sales	Trade Payable	9.54	11.43	(16.56)
h)	Net capital turnover ratio	Net Sales	Capital Employed	1.45	0.98	48.17
i)	Net profit ratio	Net Profit	Net Sales	4.57	5.83	(21.73)
j)	Return on Capital employed	EBIT	Capital Employed	9.16	7.41	23.73

43. Fair Value Measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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 significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.



Notes forming part of the financial statement

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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 with listed instruments where market is not liquid and for unlisted instruments.

The fair value of trade receivables and payables is considered to be equal to the carrying amounts of these items due to their short – term nature.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Adi F. Madan
(Managing Director)
DIN : 00023629

Ayesha K. DadyBurjor
(Whole Time Director)
DIN : 02949248

Kaizad R. DadyBurjor
(Director)
DIN : 00022387

Ajit P. Walwaikar
(Director)
DIN : 00022123

Pheroze A. Dhanbhoora
(Director)
DIN : 00622769

Harish H. Shah
(Director)
DIN : 03032200

Bhavik R. Maisuria
(Chief Financial Officer)
Mumbai

Naman Bhandari
(Company Secretary)

Date: May 25, 2023



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