

# AARNAV FASHIONS LIMITED

## ANNUAL REPORT 2021-2022



**AARNAV FASHIONS LIMITED**  
**CIN: L17100GJ1983PLC028990**

**Regd. Office:- 1, New Cloth Market, O/s. Raipur Gate, Raipur,  
Ahmedabad – 380002 (India).**

**Corporate Office & Works :- Survey No. 302-305, Isanpur,  
Narol-Vatva Road, Ahmedabad – 382405 (India).**

# COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	<p>MR. CHAMPALAL GOPIRAM AGARWAL          MR. SUMIT CHAMPALAL AGARWAL          MR. MADHUR MURARI TODI          MR. SOURABH VIJAY PATAWARI          MR. KULDEEP ASHOKBHAI SHAH          MS. NIDHI AGGRAWAL</p>	<p>DIRECTOR &amp; CHAIRMAN          MANAGING DIRECTOR          INDEPENDENT DIRECTOR          INDEPENDENT DIRECTOR          INDEPENDENT DIRECTOR          NON-EXECUTIVE DIRECTOR</p>
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	<p>MS. NIDHI AGGRAWAL</p>	
<b>CHIEF FINANCIAL OFFICER</b>	<p>MR. RADHAKISHAN LEKHARAM SHARMA</p>	
<b>SECRETARIAL AUDITOR:</b>	<p>RAVI KAPOOR &amp; ASSOCIATES          COMPANY SECRETARY IN PRACTICE</p>	<b>INTERNAL AUDITORS</b> <p>M/S SEJAL AGRAWAL &amp; ASSOCIATES          CHARTERED ACCOUNTANTS</p>
<b>AUDITORS</b>	<p>M/S. NAHTA JAIN &amp; ASSOCIATES          CHARTERED ACCOUNTANTS</p>	<b>COST AUDITORS</b> <p>M/S KIRAN J. MEHTA &amp; CO          COST ACCOUNTANTS</p>
<b>SHARE REGISTRARS &amp; TRANSFER AGENT</b>	<p>MCS SHARE TRANSFER AGENT LIMITED          101, SHATDAL COMPLEX,          OPP. BATA SHOW ROOM,          ASHRAM ROAD,          AHMEDABAD-380009</p>	
<b>REGISTERED OFFICE</b>	<p>1, NEW CLOTH MARKET,          O/S RAIPUR GATE,          RAIPUR,          AHMEDABAD - 380002,          GUJARAT          EMAIL: aarnavfashions@gmail.com</p>	
<b>CORPORATE OFFICE &amp; WORKS:</b>	<p>SURVEY NO. 302-305, ISANPUR,          GOPI COMPOUND, NAROL - VATVA ROAD,          NAROL,          AHMEDABAD-382405</p>	
<b>BANKERS</b>	<p><b>PUNJAB NATIONAL BANK</b>          LARGE CORPORATE BRANCH,          S. G. HIGHWAY, SATELLITE,          AHMEDABAD – 380015.</p> <p><b>STATE BANK OF INDIA,</b>          OVERSEAS BRANCH,          S. G. HIGHWAY, SATELLITE,          AHMEDABAD – 380015.</p>	<p><b>PUNJAB NATIONAL BANK</b>          VANIJYA BHAWAN BRANCH,          KANKARIA ROAD,          AHMEDABAD- 380022.</p> <p><b>SVC CO-OPERATIVE BANK LTD.</b>          SATELLITE ROAD BRANCH,          BODAKDEV, SATELLITE,          AHMEDABAD – 380015.</p>
<b>WEBSITE</b>	<p><a href="http://www.aarnavgroup.com">www.aarnavgroup.com</a></p>	
<b>CIN</b>	<p>L17100GJ1983PLC028990</p>	

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# NOTICE

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of **AARNAV FASHIONS LIMITED** will be held on Thursday, 15<sup>th</sup> day of December, 2022 at Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405 at 03.00 P.M.

## **ORDINARY BUSINESS:**

### **ITEM NO.: 1 - ADOPTION OF FINANCIAL STATEMENTS**

To receive, consider and adopt:

a. The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022, together with the Cash Flow Statements and Notes to the Accounts and Reports of the Board of Directors and the Auditors thereon; and,

### **ITEM NO.: 2 – CONFIRMATION OF INTERIM DIVIDEND PAID**

Confirmation of payment of interim dividend on equity shares by passing the following resolution as an Ordinary Resolution:

“RESOLVED THAT the interim dividend @ 5% i.e., Rs. 0.50/- per share on 15,005,000 Equity Shares of Rs. 10/- each fully paid up, paid to the shareholders for the financial year 2021-22, as per the resolution passed by the Board of Directors at their meeting held on May 05, 2022 be and is hereby noted and confirmed.

### **ITEM NO.: 3 - TO APPOINT A DIRECTOR IN PLACE OF MR. CHAMPALAL GOPIRAM AGARWAL, WHOLE TIME DIRECTOR (DIN: 01716421), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

## **SPECIAL BUSINESS:**

### **ITEM NO.: 4 - TO RATIFY REMUNERATION OF COST AUDITOR FOR THE F.Y. 2021-2022**

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

“RESOLVED THAT pursuant to the provision of Section 148 and other applicable provisions, if any of the Companies Act, 2013 and the Companies ( Audit and Auditors) Rules, 2014 ( including statutory modification(s) or re-enactment thereof, for the time being in force) M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, the cost auditors appointed by the Board of Directors of the company, to conduct the audit of the cost records of the company for the financial year ending 31st March, 2022 be paid remuneration of Rs 55,000/- ( Rupees Fifty Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of audit.”

Ahmedabad  
November 19, 2022

By order of board

**Registered Office**  
1, New Cloth Market,  
O/s Raipur Gate,  
Raipur, Ahmedabad,  
Gujarat-380002

**Nidhi Aggrawal**  
Company Secretary & Compliance Officer  
[aarnavfashions@gmail.com](mailto:aarnavfashions@gmail.com)  
[Tel:-079--29702983](tel:079-29702983)  
Website: [www.aarnavgroup.com](http://www.aarnavgroup.com)

**NOTES:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) relating to the Special Business if any, to be transacted at the Annual General Meeting (“AGM”/ “Meeting”) is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The proxy holder shall prove his identity at the time of attending the Meeting.
3. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
4. In terms of the provisions of Section 152 of the Act, Mr. Champalal Gopiram Agarwal, Whole Time Director, retires by rotation at this Meeting.
5. A detailed profile of Mr. Champalal Gopiram Agarwal along with additional information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice.
6. In compliance with the Ministry of Corporate Affairs (“MCA”) Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants (DPs). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company’s website at [www.aarnavgroup.com](http://www.aarnavgroup.com) and websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com).
7. For receiving all communication (including Annual Report) from the Company electronically: a) Members holding the shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register/ update the same by writing to the Registrar and Transfer Agent of the Company viz. M/s. MCS Share Transfer Agent Limited (“RTA”), 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 (E-mail:- [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com); Tel: (079)26580461 / 62 / 63) Members holding the shares in dematerialized mode are requested to register / update their e-mail address with the relevant Depository Participant.
8. Institutional/ Corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) intending to send their authorized representative(s) to attend the Meeting are required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) at [aarnavfashions@gmail.com](mailto:aarnavfashions@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Such authorization shall contain necessary authority in favour of its authorized representative(s).
9. Members / Proxies / Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of Annual Report.
10. Members of the Company under the category of ‘Institutional Investors’ are encouraged to attend and vote at the AGM.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and other documents as referred in the Notice are available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and National Holidays up to the date of the AGM.
12. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date i.e. Thursday, 8<sup>th</sup> December, 2022 only shall be entitled to avail the facility of remote e-voting. A person who is not a Member as on the Cut-off Date, should treat the Notice for information purpose only.
13. MCA has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). As per these Rules, dividends which are not encashed / claimed by the Member for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ("IEPF") Authority. The IEPF Rules also mandate the companies to transfer the shares of Members whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority.
14. Members are requested to address all correspondences, including shareholding related documents and dividend matters to the Company's RTA.
15. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website and can be accessed through the link: [www.aarnavgroup.com](http://www.aarnavgroup.com) and on the website of the Company's RTA and can be accessed through the link: <https://www.mcsregistrars.com/downloads.php>. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. The said form is available on the Company's website and can be accessed through the link: [www.aarnavgroup.com](http://www.aarnavgroup.com). Members are requested to submit the said form to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form. The nomination form is available on the RTA website and can be accessed through the link : [https://www.mcsregistrars.com/images/documents/90\\_1155641335\\_FormNo.SH-13\\_\(NominationForm\).pdf](https://www.mcsregistrars.com/images/documents/90_1155641335_FormNo.SH-13_(NominationForm).pdf)

18. Non-Resident Indian Members are requested to inform the Company / RTA (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of: a) Change in their residential status on return to India for permanent settlement; and b) Particulars of their bank account maintained in India with account type, account number, name and address of the bank with pin code number, if not furnished earlier. .
19. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before December 08, 2022 by sending e-mail on [aarnavfashions@gmail.com](mailto:aarnavfashions@gmail.com). The same will be replied by the Company suitably.
20. (A) PROCEDURE FOR REMOTE E-VOTING:
- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on Monday, December 12, 2022 at 9:00 A.M. and ends on Wednesday, December 14, 2022 at 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, December 08, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b></p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>



<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>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.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <**AARNAV FASHIONS LIMITED**> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [aarnavfashions@gmail.com](mailto:aarnavfashions@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

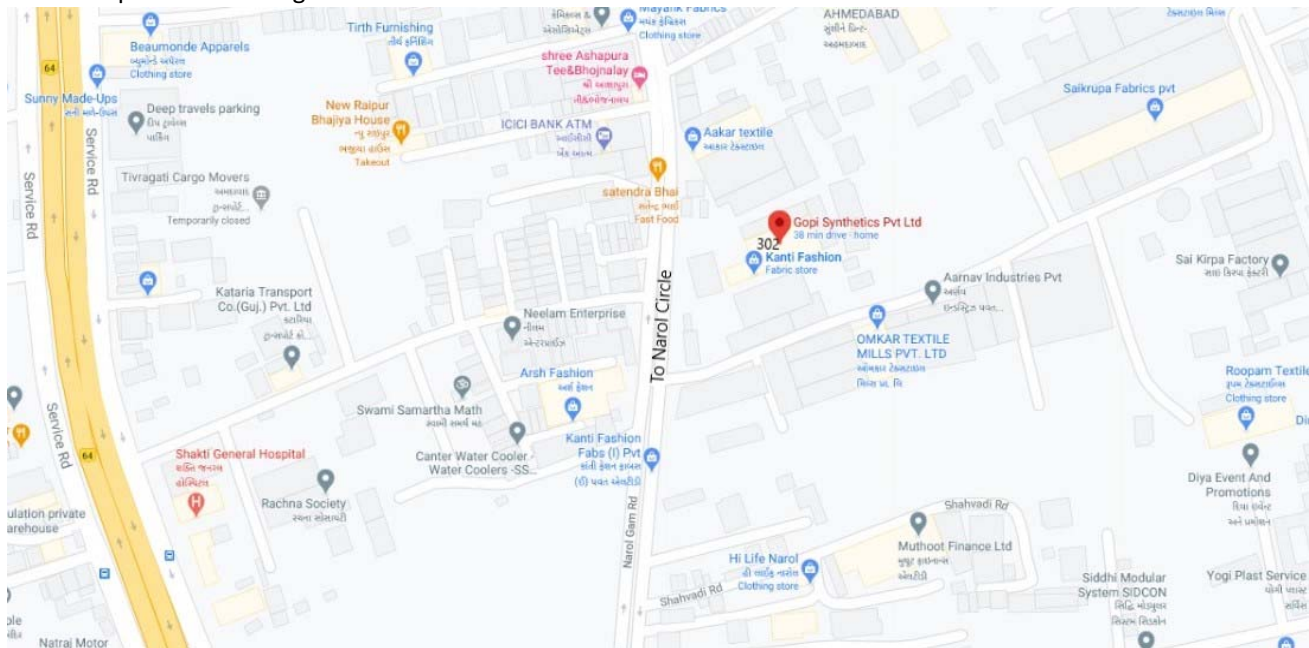
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat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

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

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

21. The facility for ballot / polling paper shall be made available at the AGM and the Members attending AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot / polling paper.
22. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
23. Any person, who acquires the shares of the Company and becomes Member of the Company after dispatch of the Notice and holding the shares as of the cut-off date i.e. Thursday, December 08, 2022 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
24. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

25. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, December 9, 2022 to Thursday December 15, 2022 (both days inclusive) for the purpose of the ensuing Annual General Meeting of the Company.
26. The Board of Directors of the Company has appointed M/s Ravi Kapoor & Associates, Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting process and poll at the Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
27. The Scrutinizer shall after the conclusion of voting at the AGM, first scrutinize the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make and submit, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.
28. The Results of voting shall be declared within two working days of the conclusion of the AGM of the Company and subject to receipt of requisite number of votes, the Resolutions proposed in this Notice shall be deemed to have been passed on the date of the Meeting, i.e., Thursday, December 15, 2022.
29. The Results declared along with the consolidated scrutinizer's report will be available on Company's website at [www.aarnavgroup.com](http://www.aarnavgroup.com) and on CDSL's website at [www.evotingindia.com](http://www.evotingindia.com) The results shall simultaneously be communicated to BSE Limited.
30. Route Map of the Meeting:





# DIRECTORS REPORT

To  
The Members,  
AARNAV FASHIONS LIMITED

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company'), along with the audited financial statements, for the financial year ended March 31, 2022.

## 1. FINANCIAL RESULTS:

(Amount in Lakh)

PARTICULARS	2021-2022	2020-2021
Revenue from Operations	42056.83	24883.37
Other Income	9.47	66.19
<b>Total Income</b>	<b>42066.30</b>	<b>24949.56</b>
Profit/(Loss) before Finance Cost, Depreciation & Tax	3197.14	1795.68
Less: Depreciation /Amortization/Impairment	742.36	402.76
Less: Finance Costs	1192.53	612.51
Profit/(Loss) Exceptional items and Tax Expense	1262.25	780.41
<b>Profit/(Loss) before Tax</b>	<b>1262.25</b>	<b>780.41</b>
Provision for Taxation - Current Tax	315.00	214.68
Deferred Tax	0.77	-16.03
Excess provision for Tax expense for earlier years	14.89	49.26
<b>Profit for the year</b>	<b>931.58</b>	<b>532.49</b>
<b>Total Comprehensive Income/Loss (2)</b>	<b>946.72</b>	<b>533.45</b>

## 2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

The Board of Directors of the Company has, at its meeting held on January 23, 2021, approved a draft scheme of arrangement providing for amalgamation of Gopi Synthetics Private Limited ("Transferor Company No. 1"), Aarnav Synthetics Private Limited ("Transferor Company No. 2"), Aarnav Textile Mills Private Limited ("Transferor Company No. 3"), Symbolic Finance and Investment Private Limited ("Transferor Company No. 4") and Ankush Motor and General Finance Company Private Limited ("Transferor Company No. 5") (collectively referred as "Transferor Companies") with the Company, i.e., Aarnav Fashions Limited ("AFL" | "Transferee Company") (hereinafter referred to as "Scheme") in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable statutory provisions. The Hon'ble NCLT, Ahmedabad Bench has approved the aforesaid Scheme vide its order dated 10 August, 2022 pronouncing 01 October, 2020 as the "Appointed Date". The certified true copy of the said order was received on 05 September, 2022 and the order was filed with the Registrar of Companies on 17.09.2022.

Accordingly, the Company has restated financial results for year ended 31 March, 2022 has accounted for the amalgamation scheme using the acquisition method retrospectively for all the periods presented as prescribed in Ind AS 103- "Business Combination".

During the year under review, Company has earned total income of Rs. 42066.30 Lakh as against the total income of Rs. 24949.56 Lakh of previous year. The total income of the company was up by 68% over previous year. Further, Profit before Tax in the financial year 2021-2022 stood at Rs. 1262.25 Lakh as compared to Rs 780.41 Lakh of last year and Net Profit after Tax stood at Rs. 931.58 Lakh compared to profit of Rs. 532.49 Lakhs for previous year.

## 3. CHANGE IN NATURE OF BUSINESS:

There is no change in business during the year under review.

**4. AMOUNT TRANSFERRED TO RESERVES:**

Your Company has not transferred any amount to reserves during the year under review.

**5. DIVIDEND:**

For F.Y. 2022, based on the Company's performance, the Directors have declared an interim dividend of Rs. 0.50 per share.

The dividend resulted in a cash outflow of Rs. 75 lakhs.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is uploaded on the Company's website [www.aarnavgroup.com](http://www.aarnavgroup.com).

**6. BOARD MEETING**

During the year under review, Board of Directors of the Company met 6 (Six) times. The dates of the meetings of the Board and attendance of Directors are mentioned in the Corporate Governance Report as enclosed with this report.

**7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

None of the directors of the company is disqualified under the provisions of the company Act, 2013 or under the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

There was no change in the Directors or KMP during the year under review.

**8. DECLARATION FROM INDEPENDENT DIRECTORS**

The Company has obtained necessary declaration from each independent director under Section 149 (7) of the Act that they meet the criteria of independence laid down in Section 149 (6) of the act and there has been no change in the circumstances which may affect their status as independent director during the year.

**9. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

Independent Directors are familiarized about the Company's operation and business. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company its businesses and the group practices.

Weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-26.pdf>.

**10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR INDEPENDENT DIRECTORS**

In adherence to the provisions of Section 134(3) and 178(1) and (3) of the companies Act, 2013, the board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. Weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-25.pdf>.

**11. VIGIL MECHANISM:**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the

Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company. The weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-17.pdf>.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm and state that

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii. 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;
- iv. the Directors had prepared the annual accounts on a 'going concern' basis;
- v. 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
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

In terms of Section 134(5)(e) of the Act, the term Internal Financial Control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

Internal Control over Financial Reporting (ICFR) remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. Your Company through Internal Audit Program is regularly conducting test of effectiveness of various controls. The ineffective and unsatisfactory controls are reviewed and remedial actions are taken immediately. The internal audit plan is also aligned to the business objectives of the Company which is reviewed and approved by the Audit Committee. Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework. Adequate internal financial controls are in place which ensures the reliability of financial and operational information. The regulatory and statutory compliances are also ensured.

## **14. ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at [www.aarnavgroup.com](http://www.aarnavgroup.com). By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report. The weblink of Annual Return is <https://aarnavgroup.com/wp-content/uploads/2021/09/Click-here-to-download.pdf>



**15. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE:**

Since the company does not have any Subsidiary / Joint Ventures / Associate Concerns, no financial position of such concern(s) are required to be included in the financial statement.

**16. AUDITORS:**

As per the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad (ICAI Registration No. 106801W) were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the 36<sup>th</sup>AGM to the conclusion of the 41<sup>st</sup>AGM to be held in 2024. However in terms of the Notification issued by the Ministry of Corporate Affairs dated May 7, 2018, the proviso requiring ratification of the Auditors appointment by the shareholders at each AGM has been omitted. Accordingly, the ratification of appointment of Statutory Auditors would not be required at the AGM and M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad (ICAI Registration No. 106801W) would continue to act as the statutory auditors of the Company for five years upto the conclusion of the 41<sup>st</sup>AGM to be held in 2024.

The Auditors Report does not contain any qualification, observation or adverse remarks.

**17. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S Ravi Kapoor & Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the financial year 2021-2022.

The Secretarial Audit Report for the financial year ended 31st March 2022, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Regulation 24A of the SEBI (LODR) Regulations, 2015 is annexed herewith as “**Annexure - A**”. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

**18. INTERNAL AUDITOR**

Pursuant to provision of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and section 179 read with Rule 8(4) of the Companies (Meeting of Board and its Power) rules, 2014 the Company has appointed M/s Sejal Agrawal & Associates (Membership No: 141498) Chartered Accountants as Internal auditor of the Company for the Financial Year 2021-2022.

**19. COST AUDITORS**

Pursuant to the provisions of Section 148 of the Act, read with the Rules made thereunder, the Company has appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, to undertake the audit of the cost records of the Company for the Financial Year ending 2022-23. The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification and the same forms part of the Notice convening the AGM. In accordance with the provisions of Section 148(1) of the Act, read with the Rules made thereunder, the Company has maintained cost records.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are as under:

**A. Conservation of Energy:**

**I. the steps taken or impact on conservation of Energy**

- The company has installed inverters / AC drives to save the power.
- Other necessary energy conservation measures are taken on day to day basis.

- The Company has installed various resources saving machineries i.e. Caustic Recovery Plant (CRP) for reuse of Caustic.

## II. the steps taken by the unit for utilizing alternate sources of energy

- The company has installed hot water collector which enables the reuse of hot water.
- The company has installed power generator system from the Steam based boiler for the power generation for self consumption

## III. the capital investment on energy conservation equipment during the year :- NIL

### B. Technology Absorption:

#### i. The efforts made towards technology absorption

- Efforts were made to adopt new technology by installing new improved/developed machines.
- Implemented and successfully executed ERP system

#### ii. the benefits derived as a result of above efforts

- Quality of fabric processed improved by adoption of new technology
- Cost Efficient use
- Increased Productivity and Efficiency
- Data Analysis and Reporting
- Risk analysis and prepare performance reports

#### iii. In case of Imported technology (imported during the last three years reckoned from the beginning of the financial year):

The company has imported various imported Machineries for Printing Process, Laser Engraving Work, Finishing Processes, etc during the last three years for betterment of Finished quality in terms of Design Sharpness and Brightness and also for smoother and faster cloth processing of Raw Cloth.

#### iv. The expenditure incurred on Research and Development during the year: NIL

C. The particulars of foreign exchange earnings and outgoes:	F.Y. 2021-22	F.Y.2020-21
<b>Foreign Exchange Earnings:</b>		
FOB Value of Exports (Rs. in Lakh)	756.61	1331.76
<b>Foreign Exchange Outgoes:</b>		
C.I.F. Value of Imports (Rs. in lakh)		
- Raw Materials – Cloth	0.00	0.00
- Raw Materilas- Colour-Chemicals	50.64	91.26
- Stores & Spares	50.18	48.06
- Capital Goods (Pl. & Mach.)	0.00	712.19
Expenditure in Foreign Currency (Rs. in Lakh)		
- Foreign Travelling	14.77	3.09
- Machinery Repairs	35.32	41.03

## 21. PUBLIC DEPOSIT

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable

**22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of loans, Guarantees and investments in terms of Section 186 of the Companies Act, 2013 for the financial year under review have been provided in the Notes to Financial Statement which forms part of this Annual Report

**23. SCHEME OF AMALGAMATION:**

Arrangement providing for amalgamation of Gopi Synthetics Private Limited (“Transferor Company No. 1”), Aarnav Synthetics Private Limited (“Transferor Company No. 2”), Aarnav Textile Mills Private Limited (“Transferor Company No. 3”), Symbolic Finance and Investment Private Limited (“Transferor Company No. 4”) and Ankush Motor and General Finance Company Private Limited (“Transferor Company No. 5”) (collectively referred as “Transferor Companies”) with the Company, i.e., Aarnav Fashions Limited (“AFL” / “Transferee Company”) (hereinafter referred to as “Scheme”) in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961 with effect from the Appointed Date i.e. October 1, 2020.

The company has received an observation letter from BSE regarding draft Scheme of Arrangement on July 14, 2021.

A joint application seeking directions under section 230-232 for the Scheme of amalgamation was filed with Hon’ble National Company Law Tribunal was file on August 25, 2021 and scheme was admitted on September 27, 2021.

The aforesaid Scheme of Amalgamation was approved by the Hon’ble National Company Law the Scheme came into effect from August 10, 2022. The entire business and whole of the undertaking of all the transferor Companies stands transferred and vested in the Company effective from October 01, 2020, being the appointed date of the said Scheme.

**24. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The Board of Directors of the Company has, at its meeting held on January 23, 2021, approved a draft scheme of In terms of Section 134(3)(i) the Companies Act, 2013 and the matter is fixed for pronouncement of order. The aforesaid Scheme of Amalgamation was approved by the Hon’ble National Company Law the Scheme came into effect from August 10, 2022. The entire business and whole of the undertaking of all the transferor Companies stands transferred and vested in the Company effective from October 01, 2020, being the appointed date of the said Scheme. It is reported except as disclosed elsewhere in this report, no other material changes and commitments which could affect the Company’s financial position have occurred between the end of financial year of the Company and date of this report.

**25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE**

No was passed by any competent authority impacting Company Operation in future.

**26. SHARE CAPITAL:**

During the year under review, the Company has not altered/modified the authorized share capital of the Company.

A joint application seeking directions under section 230-232 for the Scheme of amalgamation was filed with Hon’ble National Company Law Tribunal on August 25, 2021 and scheme was admitted on September 27, 2021. The aforesaid Scheme of Amalgamation was approved by the Hon’ble National Company Law Tribunal and the Scheme came into effect from August 10, 2022. The entire business and whole of the undertaking of all the

transferor Companies stands transferred and vested in the Company effective from October 01, 2020, being the appointed date of the said Scheme.

the Authorised Share Capital of all the Transferor Companies aggregating to Rs.54,37,50,000/- (Rupees Fifty Four Crores Thirty Seven Lakhs and Fifty Thousands Only) was merged into the Authorised Share Capital of the Transferee Company

*The authorized share capital of the Company is Rs.69,47,50,000/- (Rupees Sixty Nine Crores Forty Seven Lakhs and Fifty Thousand only) divided into 6,94,75,000 Equity Shares of Rs. 10/- (Rupees Ten only) each."*

## **27. RISK MANAGEMENT:**

The Management has evaluated various risks like market risk, credit risk liquidity risk etc. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

## **28. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of section 135 of Companies Act, 2013 are not applicable.

## **29. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2021-2022, there was no materiality significant related party transaction entered by the company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large.

In line with the provisions of section 177 of the act read with the Companies (Meeting of the Board and its Power) Rules 2014, omnibus approval for the estimated value of the transactions with the related parties for the financial year is obtained from the Audit Committee. The transaction with the related parties are routine and repetitive in nature.

The form AOC-2 pursuant to section 134 (3)(h) of the Companies Act, 2013 read with the Rule 8(2) of the Companies (Accounts) Rules 2014 is annexed to this Report as **"Annexure – B"**

## **30. FORMAL ANNUAL EVALUATION:**

The Company has a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

Pursuant to the Policy, the Board has carried out an annual evaluation of its own performance, performance of the individual Directors including Independent Directors. Further, the Committees of the Board had carried out self-evaluation of its performance and the outcome was submitted to the Chairman of the Nomination and Remuneration Committee for his review.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active participation by all Board Members.

Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. In addition, Independent Directors were evaluated based on parameters such as qualification, experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, commitment, independence, independent views and judgement, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of Conduct of the Company as well as the Code for Independent Directors as applicable, understanding the environment in which the Company operates and contribution to strategic decision and raising valid concerns to the Board, interpersonal relations with other Directors and Management, objective evaluation of Board’s performance, rendering independent unbiased opinion, safeguarding of confidential information and maintaining integrity.

The details of the Policy on evaluation of Board’s performance are available on the Company’s website and can be accessed through the link:

The terms and conditions of appointment of Independent Directors are also available on the Company’s website and can be accessed through the link: <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-25.pdf>. In the opinion of the Board, the Independent Directors of the Company possess the requisite qualifications, experience (including proficiency), expertise and hold highest standards of integrity

**31. PARTICULARS OF EMPLOYEES**

Pursuant to Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of employees are annexed as **Annexure- C** to this Report

**32. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee has been setup to redress the complaints received on the sexual harassment. All employees of the Company are covered under this policy.

The details of complaints received and disposed of during the financial year 2021-2022 is as follows

S. No	Particulars	Remarks
A	Number of complaints of sexual harassment received in the year	NIL
B	Number of complaints disposed of during the year	NIL
C	Number of cases pending for more than ninety days	NIL
D	Number of workshops or awareness programme against sexual harassment carried out	NIL
E	Nature of action taken by the employer or District Officer	NIL

**33. LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing Fees for the year 2021-2022 to BSE where the Company’s Shares are listed.

**34. INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted the “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” (“the Code”). The Code is applicable to Promoters, all Directors,

Designated persons and connected Persons and their immediate relatives, who are expected to have access to unpublished price sensitive information relating to the Company. The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The aforesaid Codes are posted on the Company's website and can be accessed by using web link at and is available on our website

**35. DETAILS OF COMPOSITION OF AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:**

Details of Composition of various Committees including Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and attendance of members are mentioned in Corporate Governance Report and the same is attached with this report.

**36. CORPORATE GOVERNANCE:**

Your Company has taken adequate steps to ensure compliance with the provisions of corporate governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as **Annexure-D**

**37. MANAGEMENT DISCUSSION ANALYSIS**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, the Management's discussion and analysis is set out in this Annual Report as **Annexure E**.

**38. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, no application was made or no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

**39. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

During the year under review, no frauds were reported by the auditor to the board.

**40. SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

**41. APPRECIATION:**

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavours.

**PLACE: AHMEDABAD  
DATE: 19/11/2022**

**AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
AARNAV FASHIONS LIMITED**

**MR. CHAMPALAL GOPIRAM AGARWAL  
CHAIRMAN & DIRECTOR  
DIN: 01716421**

# ANNEXURE – A

Form No. MR- 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

To,

The Members

**AARNAV FASHIONS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aarnav Fashions 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- 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) Regulation, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities And Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. No Changes took place in the composition of the Board of Directors during the period under review.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

**We further report that** during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except as provided in the report.

**Place: Ahmedabad**

**Date: 19.11.2022**

**For, Ravi Kapoor & Associates**

**Ravi Kapoor**  
**Company Secretary in practice**  
**FCS No. 2587**  
**C P No.: 2407**  
**UDIN: F002587D001918512**

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 Members  
**AARNAV FASHIONS LIMITED**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

**Place: Ahmedabad**  
**Date: 19.11.2022**

**For, Ravi Kapoor & Associates**

**Ravi Kapoor**  
**Company Secretary in practice**  
**FCS No. 2587**  
**C P No.: 2407**  
**UDIN: F002587D001918512**

# ANNEXURE – B

## Form No. AOC-2

Particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013

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

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2021, which were not at arm's length basis.

### A. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Particulars	RPT – 1	RPT – 2	RPT – 3	RTP-4	RTP-5
1.	Name(s) of the related party and nature of relationship	Champalal Gopiram Agarwal	Sumit Champalal Agarwal	Aarnav Industries Private Limited	Champalal Gopiram Agarwal	Sumit Champalal Agarwal
2.	Nature of contracts/ arrangements/ transactions	Rent Given	Rent Given	Purchase of goods	Salary	Salary
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2021-2022	F.Y. 2021-2022	F.Y. 2021-2022	F.Y. 2021-2022	F.Y. 2021-2022
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	All transactions entered by the Company are at Market rate and on arms' length basis				
5.	Date(s) of approval by the Board	April 08, 2021	April 08, 2021	April 08, 2021	N.A.	N.A.
6.	Amount of Transactions entered	Rs. 1,20,000	Rs. 1,20,000	Rs. 58,495,000	Rs. 36,00,000	Rs. 36,00,000
7.	Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.	N.A.

\* The Lease agreement was entered on February 02, 2019 which is valid for 5 years w.e.f. date of agreement.

PLACE: AHMEDABAD  
DATE: 19.11.2022

AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
AARNAV FASHIONS LIMITED

MR. CHAMPALAL GOPIRAM AGARWAL  
CHAIRMAN & DIRECTOR  
DIN: 01716421

MR. SUMIT CHAMPALALAGARWAL  
MANAGING DIRECTOR  
DIN: 00356863

# ANNEXURE-C

## PARTICULARS OF EMPLOYEES

(Pursuant to Section 197(12) read with Rules made thereunder)

**Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.**

**A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**a) The ratio of remuneration of each director to the median remuneration of employees for the financial year 2021-2022**

Sr. No.	Name	Designation	Ratio against median Employee' Remuneration
1.	CHAMPALAL GOPIRAM AGARWAL	Chairman	8.82:1
2.	SUMIT CHAMPALAL AGARWAL	Managing Director	8.82:1
3.	NIDHI SANJAYKUMAR AGGRAWAL	Non-Executive Director	N.A
4.	SOURABH VIJAY PATAWARI	Independent Director	N.A
5.	KULDEEP ASHOKBHAI SHAH	Independent Director	N.A
6.	MADHUR MURARI TODI	Independent Director	N.A

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration

**b) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-2022:**

Sr. No.	Name	Designation	Percentage Increase as compared to Previous Year
1.	CHAMPALAL GOPIRAM AGARWAL	Chairman	N.A
2.	SUMIT CHAMPALAL AGARWAL	Managing Director	N.A.
3.	NIDHI SANJAYKUMAR AGGRAWAL	Non-Executive Director	N.A.
4.	SOURABH VIJAY PATAWARI	Independent Director	N.A.
5.	KULDEEP ASHOKBHAI SHAH	Independent Director	N.A.
6.	MADHUR MURARI TODI	Independent Director	N.A.
7.	MS. NIDHI AGRAWAL	Company Secretary and Compliance Officer	N.A.
8.	RADHAKISHAN LEKHARAM SHARMA	Chief financial officer	N.A.

The median remuneration of the employees of the Company as on 31st March, 2022 was Rs. 34, 000 per year

**c) The percentage increase in the median remuneration of employees in the financial year:**

Due to merger the Employees of Transferor Companies have been merged into Transferee Company. Therefore the percentage increase in the median remuneration of employees is not applicable.

**d) The number of permanent employees during the year on the rolls of the Company: 116 Employees  
Employees at end of the financial year: 116 employees**

**e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There was no increase or decrease in salaries of employees during the year, so the average percentile is not applicable.

**f) The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.**

It is affirmed that the remuneration paid is as per the Nomination, Remuneration and Board Diversity Policy of the Company.

**B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**a) List of top ten employees in terms of remuneration drawn:**

SR. NO.	EMPLOYEE NAME	DESIGNATION	REMUNERATION RECEIVED P.M. (in lakh)
1	SANTOSH KUMAR DAS	Prod. Manager	140000
2	DILIPKUMAR BAJPAI	Prod. Manager	136000
3	ABHAYJEET SITLAPRASADSINGH	Prod. Manager	134000
4	RAJENDRA B.PATEL	Prod. Manager	130000
5	SHIV BHAGWAN	Manager	126000
6	HASHMUKHBHAI PATEL	Manager	120000
7	HANSRAJ YADAV	Prod. Manager	100000
8	RAMESH DEORA	Manager	100000
9	ANJANA D GUPTA	Manager	90000
10	LALJI YADAV	Manager	85000

All above employees are on roll of the Company on permanent basis.

Note:

1. The details of remuneration drawn is on accrual basis.
2. Company has only two employees drawing remuneration and hence details are given to that extent.

**b) Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:**

There was no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

**c) Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:**

There was no such employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

**d) Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:**

There was no such employees employed throughout the financial year or part thereof who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in

excess of that drawn by the managing director or whole-time director or manager and holds by herself or along with her spouse and dependent children, not less than two percent of the equity shares of the company.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

**PLACE: AHMEDABAD**  
**DATE: 19.11.2022**

**AND ON BEHALF OF THE BOARD OF DIRECTORS OF**  
**AARNAV FASHIONS LIMITED**

**MR. CHAMPALAL GOPIRAM AGARWAL**  
**CHAIRMAN & DIRECTOR**  
**DIN: 01716421**

# ANNEXURE-D

## CORPORATE GOVERNANCE REPORT

Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the financial year ended on March 31, 2022 is given below:

### (1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance Philosophy is based on the principles of integrity, fairness, accountability, transparency, and commitment to values and recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue high standards of Corporate Governance in the overall interest of all stakeholders. The Company has a legacy of fair, transparent and ethical governance practices. The term encompasses the internal and external factors that affect the interests of a Company's stakeholders, including shareholders, customers, suppliers, government regulators and management. Corporate Governance ensures transparency which ensures strong and balance economic development. This also ensures that the interest of all shareholders are safeguarded.

The Company ensures correct and timely intimation of disclosures and information as required to be disclosed under the applicable regulations and confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended.

### (2) BOARD OF DIRECTORS

As on 31<sup>st</sup> March, 2022, the Company has Six Directors. Out of the Six Directors, 2 (two) Executive Directors and 3 (three) Non-executive Independent Directors and 1 (one) Woman Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

None of the Directors on the Board holds Directorships in more than seven listed entities during the year 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022. Also no Independent Director serves as an Independent Director in more than seven listed entities, and Whole-time Director, Managing Director and Joint Managing Director of the Company doesn't serve as an Independent Director in any listed entity. Further none of them is a member of more than ten committees or chairman of more than five committees across all the Public Companies in which they are Director.

Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The tenure of the Independent Directors is in compliance with the provisions laid down under Section 149(10) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board has confirmed that all the Independent Directors of the Company meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

During the financial year 2021-2022 the Board of Directors met Six times i.e. April 08, 2021, June 12, 2021, August 12, 2021, September 04, 2021, October 16, 2021, January 29, 2022. The gap between two meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards on the Meeting of Board of Directors issued by The Institute of Company Secretaries of India. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2021-2022 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act For the purpose of determination of limit of the Board Committees, chairpersonship and

membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

**a. COMPOSITION:**

The following is the Composition of the Board as on 31<sup>st</sup> March, 2022.

SR. NO	NAME OF DIRECTORS	DESIGNATION	CATEGORY
1	CHAMPALAL GOPIRAM AGARWAL	Chairman and Director	Promoter and Executive Director
2	SUMIT CHAMPALAL AGARWAL	Managing Director	Promoter and Executive Director
3	NIDHI AGRAWAL	Director	Professional and Non-Executive
4	SOURABH VIJAY PATAWARI	Director	Independent, Non-Executive
5	KULDEEP ASHOKBHAI SHAH	Director	Independent, Non-Executive
6	MADHUR MURARI TODI	Director	Independent, Non-Executive

**b. NUMBER OF BOARD MEETINGS HELD, DATES ON WHICH HELD ARE GIVEN BELOW:**

During the Financial Year 2021-2022, 6 (Six) Board meetings were held on the following dates:

SR. NO.	DATE OF MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	08-04-2021	6	6
2	12-06-2021	6	6
3	12-08-2021	6	6
4	04-09-2021	6	6
5	16-10-2021	6	6
6	29-01-2022	6	6

**c. THE NAMES AND CATEGORIES OF THE DIRECTORS ON THE BOARD, THEIR ATTENDANCE AT BOARD MEETINGS HELD DURING THE YEAR UNDER REVIEW AND AT THE LAST ANNUAL GENERAL MEETING ("AGM") ARE GIVEN HEREIN BELOW:**

NAME OF THE DIRECTOR	BOARD MEETINGS						AGM
	08-04-2021	12-06-2021	12-08-2021	04-09-2021	16-10-2021	29-01-2022	30-09-2021
CHAMPALAL GOPIRAM -AGARWAL	P	P	P	P	P	P	P
SUMIT CHAMPALAL AGARWAL	P	P	P	P	P	P	AB
NIDHI AGRAWAL	P	P	P	P	P	P	P
SOURABH VIJAY PATAWARI	P	P	P	P	P	P	P
KULDEEP ASHOKBHAI SHAH	P	P	P	P	P	P	P
MADHUR MURARI TODI	P	P	P	P	P	P	P

P- Attended

AB- Absent

**d. NAME OF OTHER LISTED ENTITIES IN WHICH THE DIRECTOR IS A DIRECTOR AND THE NUMBER OF DIRECTORSHIPS AND COMMITTEE CHAIRMANSHIPS/MEMBERSHIPS HELD BY THEM IN OTHER PUBLIC LIMITED COMPANIES AS ON 31<sup>ST</sup> MARCH, 2022 ARE GIVEN HEREIN BELOW:**

NAME OF THE DIRECTORS	NUMBER OF DIRECTORSHIPS IN OTHER PUBLIC COMPANIES*	NUMBER OF COMMITTEES POSITIONS HELD IN OTHER PUBLIC COMPANIES**		DIRECTORSHIP IN OTHER LISTED ENTITY (CATEGORY OF DIRECTORSHIP)
		MEMBER	CHAIRMAN	
CHAMPALAL GOPIRAM - AGARWAL	-	-	-	-
SUMIT CHAMPALAL AGARWAL	-	-	-	-
NIDHI AGGRAWAL	-	-	-	-
SOURABH VIJAY PATAWARI	3	2	1	
KULDEEP ASHOKBHAI SHAH	3	4	1	Anjani Synthetics Limited (Independent Director)
MADHUR MURARI TODI	-	2	-	-

\*Number of Directorships do not include Directorships of private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013.

\*\*Only Audit Committee & Stakeholders' Relationship Committee have been considered.

**e. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:**

Mr. Champalal Agarwal, Director and Chairman is the father of Mr. Sumit Champalal Agarwal. Except for this, none of the other Directors of the Company are inter-se related to each other.

**f. SHARES HELD BY NON- EXECUTIVE DIRECTORS:**

Details of Share held by Non-Executive Directors in the Company as on 31<sup>st</sup> March, 2022:

NAME	CATEGORY	NUMBER OF EQUITY SHARES
NIDHI AGGRAWAL	Professional and Non-Executive Director	NIL
SOURABH VIJAY PATAWARI	Independent, Non-Executive	NIL
KULDEEP ASHOKBHAI SHAH	Independent, Non-Executive	NIL
MADHUR MURARI TODI	Independent, Non-Executive	NIL

The company has not issued any convertible instruments.

**g. THE BOARD HAS IDENTIFIED THE FOLLOWING SKILLS/EXPERTISE/COMPETENCIES FUNDAMENTAL FOR THE EFFECTIVE FUNCTIONING OF THE COMPANY WHICH ARE CURRENTLY AVAILABLE WITH THE BOARD:**

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees.

The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess

- Leadership
- Strategic Planning
- Finance
- Risk Management
- Global Business
- Sales and Marketing
- Governance



SR. NO.	NAME OF DIRECTORS	LEADERSHIP	STRATEGIC PLANNING	FINANCE	RISK MANAGEMENT	GLOBAL BUSINESS	SALES AND MARKETING	GOVERNANCE
1	CHAMPALAL GOPIRAM AGARWAL	√	√	√	√	√	√	-
2	SUMIT CHAMPALAL AGARWAL	√	√	√	√	√	√	-
3	NIDHI SANJAYKUMAR AGRAWAL	√	-	-	√	-	-	√
4	SOURABH VIJAY PATAWARI	-	-	√	-	-	-	√
5	KULDEEP ASHOKBHAI SHAH	-	-	√	-	-	-	-
6	MADHUR MURARI TODI	-	√	√	-	√	-	-

#### h. BOARD PROCEDURE:

The agenda is circulated well in advance to the Board members, along with comprehensive back-ground information on the items in the agenda to enable the Board members to take informed decisions.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that the Terms of Reference/ Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The Terms of Reference/Charters are amended and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes.

The Board plays a critical role in strategy development of the Company. The Chairman & Managing Director apprises the Board on the overall performance of the Company every quarter.

The Board periodically reviews the strategy, annual business plan, and business performance of the Company. The Board also reviews the compliance reports of the laws applicable to the Company, Internal Financial Controls and Financial Reporting Systems, Minutes of the Meeting.

The Board also reviews the declarations made by the Chairman & Managing Director regarding compliance with all applicable laws and reviews the related compliance reports on a quarterly basis.

The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration.

#### i. CODE OF CONDUCT:

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Board Members and the Senior Management personnel have affirmed compliance with the code for the year 2021-2022. The said Code of Conduct has been posted on the website of the Company. A declaration to this effect is annexed and forms part of this report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or Directors, its Senior Management or its Subsidiaries. The Senior Management of the Company has made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

**j. CONDUCT FOR PREVENTION OF INSIDER TRADING & CODE OF CORPORATE DISCLOSURE PRACTICES:**

The Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons (“the Code”) is applicable to Promoters and Promoter’s Group, Key Managerial Personnel, all Directors and such Designated Persons including Connected Persons who are expected to have access to unpublished price sensitive information relating to the Company. Ms. Nidhi Aggrawal is the Compliance Officer for monitoring adherence to the said Regulations. During the financial year under review, there has been due compliance with the said code.

This above-mentioned Code is displayed on the Company’s website viz <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-24.pdf>.

**k. INDEPENDENT DIRECTORS:**

The Independent Directors of the Company have been appointed in terms of the requirements of the Companies Act, 2013 and the Listing Regulations.

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1) (b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties and they are independent of the management.

No Independent Director has resigned before the expiry of their tenure during the year; therefore there is no requirement to make any disclosure in the said matter.

**i. Separate meeting of the independent directors:**

During the year under review, the Independent Directors met on January 29, 2022, without the attendance of Non-independent Directors and members of the Management for:

- i) Reviewing the performance of Non-independent Directors and the Board as a whole;
- ii) Reviewing the performance of Chairperson of the Company, taking into account the views of the Executive Directors and Non-executive Directors;
- iii) Assessing the quality, quantity and timeliness of flow of information between the Company Management and the board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed satisfaction on the performance of Non-Independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the Company management and the Board.

**ii. Familiarization Programme for Independent Directors**

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates etc., through various programmes. These include orientation programme upon induction of new Director as well as other initiatives to update the Directors on an ongoing basis.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, Performance updates of the Company, Industry scenario, Business Strategy, Internal Control and risks involved and Mitigation Plan.

The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at the web link: <https://aarnavgroup.com/wp-content/uploads/2021/09/Details-of-Familiarization-Programme.pdf>.

### (3) COMMITTEES OF THE BOARD:

The committees constituted by the Board play an important role on the governance structure of the Company. The committees are in line with the Listing Regulations and Companies Act, 2013.

#### COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS:

Company has the following Committees:

- A) Audit Committee
- B) Nomination and Remuneration Committee
- C) Stakeholder Relationship Committee

#### A. AUDIT COMMITTEE

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year as on 31<sup>st</sup> March, 2022, are given below.

Meetings, Members and Attendance

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Chairman	6	6
Madhur Murari Todi	Non-Executive - Independent Director	Member	6	6
Sourabh Patawari Vijay	Non-Executive - Independent Director	Member	6	6

During the Financial Year 2021-22 the Committee held 6 (Six) meeting as follows:

Sr. No	Date of Meeting
1	April 08, 2021
2	June 12, 2021
3	August 12, 2021
4	September 04, 2021
5	October 16, 2021
6	January 29, 2022

The Board has designated Ms. Nidhi Aggrawal, Company Secretary to act as Secretary to the Committee.

The Statutory Auditors, Company Secretary and C.F.O. are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these Meetings. All members are financially literate. Members of the Audit Committee have accounting and financial management expertise.

The Chairman of the Committee attended the AGM held on 30<sup>th</sup> September, 2021 to answer the shareholders queries.

## **TERMS OF REFERENCE OF AUDIT COMMITTEE**

The Audit Committee of the Company performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing and recommending for approval of the Board. Business plan, corporate annual budget and revised estimates.
- Recommending to the Board, the appointment, re-appointment, replacement, remuneration, terms of appointment of the statutory auditor and the fixation of the audit fee.
- Reviewing with the management, the quarterly, half-yearly, annual financial statements and auditor's reports thereon, before submission to the Board for approval.
- Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions.
- Approval or any subsequent modification of transactions of Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority, of the official heading the department, reporting structure coverage and frequency of internal audit.
- Approval of appointment of the chief financial officer after assessing the qualifications, experience, background etc.
- To have full access to the information contained in the records of the Company.
- Carrying out any other function as provided under the Act, Listing Regulations and other applicable laws.
- To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
- Review Management discussion and analysis of financial condition and result of operations. Review statement of significant related party transactions.
- Review all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance.
- Review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given.
- Review internal audit reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the chief internal auditor.

## **B. NOMINATION AND REMUNERATION COMMITTEE:**

As on 31<sup>st</sup> March, 2022 the Nomination & Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

Meetings, Members and Attendance

During the Financial Year 2021-2022 the Committee held 1 (One) meeting on September 04, 2021.

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Madhur Murari Todi	Non-Executive - Independent Director	Chairman	1	1
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Member	1	1
Sourabh Patawari Vijay	Non-Executive - Independent Director	Member	1	1

The Board has designated Ms. Nidhi Aggrawal, Company Secretary to act as Secretary to the Committee.

### **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors. Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Human Resources, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors.
- Recommend / review the remuneration of Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

### **POLICY FOR REMUNERATION TO DIRECTOR/ KEY MANAGERIAL PERSONNEL**

The Remuneration Policy for directors and senior management are placed on the website of the Company website. The weblink for the policy is <http://aarnavgroup.com/company-policies>.

#### **Details of remuneration for the year ended on 31<sup>st</sup> March, 2022**

##### **1. Executive Director**

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2022 are as under:

Sr. No	Name of Director	Salary & Allowances (Amt. in Rs.)
1	Champalal Gopiram Agarwal	36,00,000
2	Sumit Champalal Agarwal	36,00,000

##### **2. Non-Executive / Independent Directors:**

During the year ended 31st March 2022, the Company has paid remuneration to Non-Executive Directors by way of sitting fees for attending meetings of Board.

##### **3. Performance Evaluation**

The performance evaluation criteria for Independent Directors along with the evaluation framework is determined by the Nomination and Remuneration Committee, basis which the performance of the Independent Directors is evaluated.

### **C. STAKEHOLDER RELATIONSHIP COMMITTEE:**

Meetings, Members and Attendance

During the Financial Year 2020- 2021 the Committee held 3 (Three) meeting.

Sr. No	Date of Meeting
1	June 12, 2021
2	August 12, 2021
3	September 04, 2021

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Sourabh Patawari Vijay	Non-Executive - Independent Director	Chairman	3	3
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Member	3	3
Madhur Murari Todi	Non-Executive - Independent Director	Member	3	3

The Board has designated Ms. Nidhi Aggrawal, Company Secretary to act as Secretary to the Committee.

#### **TERMS OF REFERENCE OF STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- Approve issue of duplicate shares / debentures certificates.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- Consider, resolve and monitor various aspects of interest of shareholders, including the redressal of investors' / shareholders' / security holders' grievances related to transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings and so on.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

#### **REMUNERATION OF DIRECTORS**

- ✓ None of the directors have drawn any remuneration by way of salary or stock option except remuneration paid to Non-Executive Directors by way of sitting fees for attending meetings of Board.
- ✓ No other performance linked incentives or any other fees are paid to any of the Directors.
- ✓ The Company has not entered into any Service Contract with any of the Directors
- ✓ there is no notice period for any Directors of the Company
- ✓ The Company does not pay any severance fees to any of the Directors

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

#### **COMPLIANCE OFFICER / COMPANY SECRETARY**

**MS. NIDHI AGRAWAL**

*Company Secretary*

**Address: 1, New Cloth Market, O/s Raipur Gate, Raipur, Ahmedabad- 380008**

**E-mail: [cs@aarnavgroup.com](mailto:cs@aarnavgroup.com)**

Complaints received and redressed by the Company during the financial year 2021-2022.

NO OF SHAREHOLDERS COMPLAINTS RECEIVED	NO. OF COMPLAINTS NOT SOLVED TO SATISFACTION OF SHAREHOLDERS	NO. COMPLAINTS SOLVED TO THE SATISFACTION OF SHAREHOLDERS	NO. OF COMPLAINTS PENDING
0	0	0	0

#### D. GENERAL BODY MEETINGS:

DETAILS OF THE ANNUAL GENERAL MEETING HELD DURING THE PRECEDING 3 YEARS AND SPECIAL RESOLUTIONS PASSED THERE AT GIVEN BELOW

FINANCIAL YEAR	PLACE OF MEETING	DATE OF MEETING	DETAILS OF SPECIAL RESOLUTION PASSED
2020-2021	Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405	30 <sup>th</sup> Day of September, 2021 at 03:00 P.M.	<ul style="list-style-type: none"> <li>To appoint Mr. Champalal Gopiram Agarwal (DIN: 01716421) as Whole-Time Director of the company on attaining the age of 70 years</li> </ul>
2019-2020	Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405	29 <sup>th</sup> day of December, 2020 at 01:00 P.M.	<b>NIL</b>
2018-2019	1, New Cloth Market, O/S Raipur Gate, Raipur, Ahmedabad-380002	30 <sup>th</sup> September, 2019 at 01:00 P.M	<ul style="list-style-type: none"> <li>To create security on the properties of the company, both present and future, in favor of lenders</li> <li>To increase the borrowing powers of the company</li> <li>To provide unsecured loan under section 185:</li> <li>Increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate</li> <li>To approve remuneration of Mr. Sumit Champalal Agarwal, managing director of the company</li> </ul>

During the year 2019-20, following special resolutions were passed through postal ballot:

1. Change in name of the Company
2. Alteration of object clause of Memorandum of Association of the Company
3. To issue equity shares on preferential basis to promoter and non-promoters

Mr. Ravi Kapoor, Practicing Company Secretary and proprietor of M/s. Ravi Kapoor & Associates was appointed as Scrutinizer to conduct postal ballot in fair and transparent manner.

**Voting pattern of the special resolutions passed through postal ballot is mentioned below:**

Particulars	No. of Voted in favour	No. of shares in favour	% of shares in favour	No. of voted against	No. of shares against	% of shares against
<b>RESOLUTION 1 (Ordinary Resolution)</b> To regularize Ms. Nidhi Sanjaykumar Aggrawal as Director of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 2 (Ordinary Resolution)</b> To regularize Mr. Sourabh Vijay Patawari as an Independent Director of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 3 (Ordinary Resolution)</b> To regularize Mr. Kuldeep Ashokbhai Shah as an Independent Director of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 4 (Ordinary Resolution)</b> To regularize Mr. Madhur Murari Todi as an Independent Director of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 5 (Ordinary Resolution)</b> To appoint Mr. Sumit Champalal Agarwal as Managing Director of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 6 (Ordinary Resolution)</b> To regularize Mr. Champalal Gopiram Agarwal as Director of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 7 (Special Resolution)</b> Change in the name of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 8 (Special Resolution)</b> Alteration of objects clause in the Memorandum of Association of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 9 (Ordinary Resolution)</b> To increase the Authorized Share Capital of the Company	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 10 (Ordinary Resolution)</b> To alter the Capital Clause (Clause V) of the Memorandum of Association	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 11 (Ordinary Resolution)</b> To approve the Related Party Transaction	4	329300	100	Nil	Nil	Nil
<b>RESOLUTION 12 (Special Resolution)</b> To issue equity shares on preferential basis to promoter and non-promoters	4	329300	100	Nil	Nil	Nil

**Procedure of postal ballot:**

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for approving the resolutions mentioned above.

All of the aforesaid resolution were passed by the shareholders with requisite majority.



## E. MEANS OF COMMUNICATION

**FINANCIAL RESULTS:** The Quarterly, Half Yearly and Annual Results are regularly submitted to the BSE Limited (BSE) as well as uploaded on the Company’s website and are published in newspapers, namely the Western Times (English and Gujarati). Additionally, the results and other important information are also periodically updated on the Company’s website ([www.aarnavgroup.com](http://www.aarnavgroup.com)) in the “Investors” section.

**WEBSITE:** The Company’s website [www.aarnavgroup.com](http://www.aarnavgroup.com) is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, Shareholding information etc.

**ANNUAL REPORT:** The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Report for FY 2021-22 is being sent to all members who had registered their email-ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the “Investors” section on the Company’s website [www.aarnavgroup.com](http://www.aarnavgroup.com)

**CORPORATE FILING:** Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with BSE Ltd. and are also available on the website of the Company.

**ELECTRONIC COMMUNICATION:** The Company had during FY 2021-22 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the ‘Green Initiative’ the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay

**INVESTORS / ANALYST MEETS:** The Company hosted its first investor conference call on January 29, 2021. Such meets provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company will continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon.

## F. GENERAL SHAREHOLDER INFORMATION:

<b>A.</b>	<b>ANNUAL GENERAL MEETING (AGM) FOR FY 2021-22</b>	
	Date	December 15, 2022
	Time	03:00 P.M.
	Venue	Survey No. 302-305, Isanpur Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405 at 03.00 P.M.
<b>B.</b>	<b>FINANCIAL CALENDAR FOR 2022-23 (TENTATIVE)</b>	
	Financial year ending	31st March, 2022
	First Quarter Results (June, 2022)	On or before 14th August, 2022.
	Second Quarter Results (September, 2022)	On or before 14th November, 2022.
	Third Quarter Results (December, 2022)	On or before 14th February, 2023.
	Approval of Annual Account (2022-23)	On or before 30th May, 2023.
<b>C.</b>	<b>LISTING ON STOCK EXCHANGE:</b>	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
<b>D.</b>	<b>Payment of Annual Listing Fees</b>	Company has paid Annual Listing Fees for the financial year 2021-22
	(ii) Stock Code/Scrp Code	539562

	(iii) ISIN Number	INE750R01016																																										
<b>E.</b>	<b>MARKET PRICE DATA : HIGH, LOW, DURING EACH MONTH IN LAST FINANCIAL YEAR</b>	<p>The high/Low market price of the shares during 2021-2022 at the BSE were as under:</p> <table border="1"> <thead> <tr> <th colspan="3">From April 01, 2021 till March 31, 2022</th> </tr> <tr> <th>MONTH &amp; YEAR</th> <th>HIGH RS.</th> <th>LOW RS.</th> </tr> </thead> <tbody> <tr> <td>Apr-21</td> <td>88.00</td> <td>63.65</td> </tr> <tr> <td>May-21</td> <td>78.00</td> <td>64.00</td> </tr> <tr> <td>Jun-21</td> <td>83.00</td> <td>67.05</td> </tr> <tr> <td>Jul-21</td> <td>80.00</td> <td>61.50</td> </tr> <tr> <td>Aug-21</td> <td>70.85</td> <td>56.65</td> </tr> <tr> <td>Sep-21</td> <td>68.90</td> <td>56.30</td> </tr> <tr> <td>Oct-21</td> <td>109.00</td> <td>62.05</td> </tr> <tr> <td>Nov-21</td> <td>79.80</td> <td>62.40</td> </tr> <tr> <td>Dec-21</td> <td>202.25</td> <td>68.65</td> </tr> <tr> <td>Jan-22</td> <td>173.90</td> <td>75.10</td> </tr> <tr> <td>Feb-22</td> <td>107.80</td> <td>65.60</td> </tr> <tr> <td>Mar-22</td> <td>73.80</td> <td>60.10</td> </tr> </tbody> </table> <p>The Company's equity shares are listed on the BSE Limited (BSE). The Company enjoyed a market capitalization of Rs. 90.41 crores as on March 31, 2022 and was one of the Top 2000 Listed companies by market capitalization.</p>	From April 01, 2021 till March 31, 2022			MONTH & YEAR	HIGH RS.	LOW RS.	Apr-21	88.00	63.65	May-21	78.00	64.00	Jun-21	83.00	67.05	Jul-21	80.00	61.50	Aug-21	70.85	56.65	Sep-21	68.90	56.30	Oct-21	109.00	62.05	Nov-21	79.80	62.40	Dec-21	202.25	68.65	Jan-22	173.90	75.10	Feb-22	107.80	65.60	Mar-22	73.80	60.10
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Mar-22	73.80	60.10																																										
<b>F.</b>	<b>REGISTRAR AND TRANSFER AGENTS FOR SHARES</b>	<p>MCS SHARE TRANSFER AGENT LIMITED  Address: 101, SHATDAL COMPLEX, OPP. BATA SHOW ROOM, ASHRAM ROAD, AHMEDABAD-380009  Tel. No.: (079)26580461 / 62 / 63  E-mail: mcsstaahmd@gmail.com  Website: www.mcsregistrars.com</p>																																										
<b>G.</b>	<b>PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX</b>	Not Applicable																																										

The Annual Listing Fees for the year 2022-23 has been paid to BSE.

#### H. SHARE TRANSFER SYSTEM:

Regulation 40 of the Listing Regulations was amended vide Gazette notification dated June 08, 2018 mandating transfer of securities in dematerialized form only on and after December 05, 2018. Further, SEBI has extended the date for transfer of securities in physical form to March 31, 2019, vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018

According to the said Notification dated November 30, 2018 requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with the depository with effect from April 01, 2019. Therefore, trading in equity shares of the Company is permitted only in dematerialised form. However, this restriction shall not be applicable to the request received for effecting transmission or transposition of physical shares. Accordingly, with effect from April 01, 2020, the Company / its Registrar and Share Transfer Agent has stopped accepting any fresh lodgment of transfer of shares in physical form.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest to avoid any inconvenience while transferring the shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of Registrar and Share Transfer Agent to seek guidance in the demat procedure. The shareholders may also visit the website of depositories viz. National Securities Depository Limited ('NSDL') or Central Depository Services (India) Limited ('CDSL') for further understanding of the demat procedure.

#### I. RECONCILIATION OF SHARE CAPITAL AUDIT:

M/S Ravi Kapoor and Associates, Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

#### J. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2022:

Range Start	Range End	Total shares	Percentage to capital	Total No of shareholders	% of Total Security holders
1	500	4731079	31.53	53875	93.15
501	1000	1818102	12.11	2424	4.19
1001	2000	1459294	9.72	1018	1.76
2001	3000	527685	3.52	215	0.37
3001	4000	388390	2.59	111	0.19
4001	5000	316536	2.11	68	0.12
5001	10000	629892	4.2	90	0.16
10001	50000	584777	3.9	29	0.05
50001	100000	339000	2.26	5	0.01
And above		4210245	28.06	3	0.01

Note: Merger effect not given in above data

#### K. CATEGORY OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2022:

SR. NO	PARTICULARS	NO OF ACCOUNTS	HOLDING	% TO CAPITAL
1	Companies Acting in Concert -Promoter Companies	2	4082745	27.2
2	Body Corporates	89	301409	02.009
3	Individuals	57511	10357465	69.036
4	HUF	199	176862	01.179
5	NRIs WITHOUT REPATRIATION BENEFITS	10	13500	00.090
6	NRIs WITH REPATRIATION BENEFITS	27	73019	00.487
<b>TOTAL</b>		<b>57838</b>	<b>15005000</b>	<b>100</b>

#### L. DEMATERIALISATION OF SHARES:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. **INE750R01016**. As on 31<sup>st</sup> March, 2022, 99.78% of the total shares of the Company have been dematerialized. The shareholders holding shares in physical form are requested to dematerialize their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialized form only. The shares of the Company are regularly traded at the BSE Limited.

#### M. OUTSTANDING GDRS / ADRS / WARRANTS AND OTHER CONVERTIBLE INSTRUMENTS, CONVERSION DATES AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs / Warrants and other Convertible instruments.

#### N. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES: Not Applicable

#### O. ADDRESS FOR CORRESPONDENCE

Registered Office	1, New Cloth Market, O/s Raipur Gate, Raipur, Ahmedabad-380002
Tel No.	079-29702983

Email	<a href="mailto:aarnavfashions@gmail.com">aarnavfashions@gmail.com</a>
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**P. UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any Demat Suspense Account or unclaimed Suspense Account

**Q. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY: Not Applicable**

**(4) DISCLOSURES:**

**I. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years**

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines of SEBI and other regulatory authorities. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges.

**II. Compliance with Accounting Standards:**

In preparation of the Financial Statements, the Company has followed the Accounting standards applicable to the Company.

**III. CEO/ CFO Certification:**

The Chief Financial Officer of the Company have furnished the requisite Certificates to the Board of Directors as per Listing Regulations as **Annexure – F**.

**IV. Internal Control System and their adequacy:**

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditors who audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

**V. Related Party Transactions:**

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors. The Board of Directors has approved a policy of related party transactions which has been uploaded on the website of the Company. The weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-21.pdf>.

**VI. Risk Management:**

The Company recognizes that risk is an integral part of any business activity. The Company is aware of the risks associated with the business and has well defined process in place to ensure appropriate identification and treatment of risk. This will facilitate not only risk assessment and timely rectification but also help in minimization of risk associated with any strategic, operational, and financial and compliance risk across all business operations. There are no risks which in the opinion of the board threatens the existence of the company. However some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

**VII. Vigil Mechanism (Whistle Blower Policy):**

The Company has a vigil mechanism called “Whistle Blower Policy” with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statement and reports etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. All employees have been provided direct access to the Audit committee. Further, the details of the policy are also posted on the website of the Company. The weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-17.pdf>.

- VIII.** The Company is not having commodity price risk or foreign exchange risk and not involved in hedging activities.
- IX.** The Company has no material subsidiary. The Company has fully complied with the mandatory requirements of SEBI (LODR) Regulations, 2015.
- X.** There were no circumstances where board had not accepted any recommendation of any committee of the Board during the year.
- XI.** There is no non compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.
- XII.** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- XIII.** A certificate from M/s Ravi Kapoor & Associates, Practicing Company Secretaries has been received stating that none of the directors on the board of the company are debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- XIV.** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). : Not Applicable
- XV. Auditor's Fees:**

Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor is a part is follows:

(Amount in Lakh)

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Payment to the Auditors comprise		
(a) To Statutory auditors	5.00	3.60
(b) Tax Audit Fees	1.00	0.50
Other Matter	0.48	0.18
Total	6.45	4.28

**XVI. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

Details of Complaints under the act during the financial year 2021-2022.

- a. number of complaints filed during the financial year -Nil  
 b. number of complaints disposed of during the financial year -Nil  
 c. number of complaints pending as on end of the financial year –Nil

The Company has not received any complaints on sexual harassment.

The Company has complied with all the mandatory requirements specified in regulation 17 to 27 regulation 46 of Listing Regulations.

The Corporate Governance Report of the Company for the year ended 31st March, 2022 are in compliance with the requirements of Corporate Governance under Listing Regulations.

## **XVII. CERTIFICATE ON CORPORATE GOVERNANCE**

A Compliance certificate from Mr. Ravi Kapoor, Proprietor of M/s. Ravi Kapoor & Associates, Practicing Company Secretary, Ahmedabad pursuant to Schedule V of the Listing Regulations regarding compliance of conditions of Corporate Governance is attached as Annexure –A in this report.

### **(5) THE STATUS OF ADOPTION OF THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II IS AS UNDER:-**

#### **SHAREHOLDERS RIGHTS:**

Extract of the Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's website [www.aarnavgroup.com](http://www.aarnavgroup.com). The complete Annual Report is sent to each and every Shareholder of the Company.

#### **MODIFIED OPINION IN AUDITORS REPORT**

The Company's financial statement for the year ended 31st March, 2022 does not contain any modified Audit opinion.

#### **REPORTING OF INTERNAL AUDITOR:**

The Internal Auditor of the Company reports to the Audit Committee.

# ANNEXURE-E

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT:

#### GLOBAL ECONOMY

The global economy, still reeling from the pandemic and Russia’s invasion of Ukraine, is facing an increasingly gloomy and uncertain outlook. Many of the downside risks flagged in our April World Economic Outlook have begun to materialize.

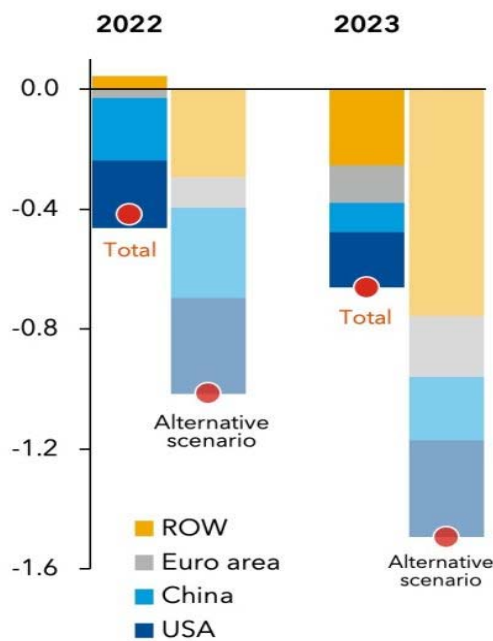
Higher-than-expected inflation, especially in the United States and major European economies, is triggering a tightening of global financial conditions. China’s slowdown has been worse than anticipated amid COVID-19 outbreaks and lockdowns, and there have been further negative spillovers from the war in Ukraine. As a result, global output contracted in the second quarter of this year.

### Slowing growth

Growth is forecast to slow to 3.2 percent this year and 2.9 percent next year, downgrades of 0.4 and 0.7 percentage points

#### Growth revisions

(percentage points; year over year)



#### 2023 Real GDP growth

(percent; year over year)



Sources: IMF, World Economic Outlook (WEO); and IMF staff calculations.

Note: ROW = Rest of the World; EMDE = Emerging Market and Developing Economies.



#### INDIAN ECONOMY

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand.

India has emerged as the fastest-growing major economy in the world, and is expected to be one of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships.

- India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP

According to World Bank, India must continue to prioritise lowering inequality while also launching growth-oriented policies to boost the economy. In view of this, the country witnessed many developments in the recent past, some of which are mentioned below.

- As of July 15, 2022, India's foreign exchange reserves reached US\$ 572.71 billion.
- Private equity-venture capital (PE-VC) sector investments stood at US\$ 34.1 billion, up 28% YoY, across 711 deals through January-June 2022.
- India's merchandise exports stood at US\$ 676.2 billion in FY22. In June 2022, India's merchandise exports stood at US\$ 37.9 billion, recording the highest ever exports in June 2022.
- PMI Services was at 58.9 in May 2022 compared to 57.9 in April 2022.
- In June 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1.44 trillion (US\$ 18.1 billion).
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 588.53 billion between April 2000-March 2022.
- In May 2022, the Index of Industrial Production (IIP) stood at 137.7 driven by mining, manufacturing and electricity sectors.
- Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.
- In July 2022 (until 21 July 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 228,862 crore (US\$ 28.65 billion)
- Wheat procurement in Rabi 2021-22 and anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## GLOBAL AND INDIAN INDUSTRY OVERVIEW AND OUTLOOK

The global textile market size was valued at USD 993.6 billion in 2021 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.0% from 2022 to 2030. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the forecast period. The industry works on three major principles, designing, production, and distribution of different flexible materials, such as yarn and clothing. Several processes, such as knitting, crocheting, weaving, and others, are largely used to manufacture a wide range of finished and semi-finished goods in bedding, clothing, apparel, medical, and other accessories. China, India, and the U.S. are the major producer of cotton and cotton-based products in the world. Chemical-based textile is estimated to account for 97,075.9 kilotons in 2021, as they play an important role in the

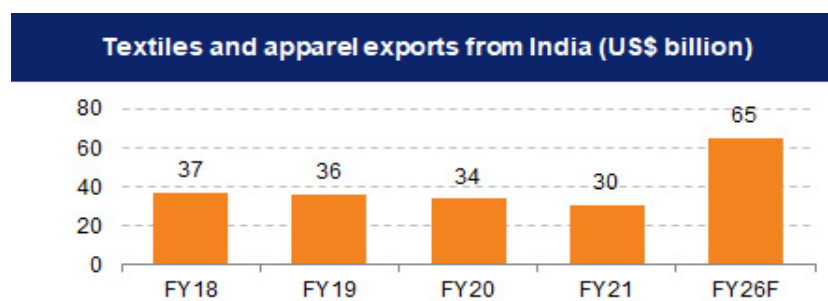


entire textile manufacturing industry. Though chemicals are hazardous to human health and the environment, they are extensively used as mercerizing agents, neutralizers, leveling agents, binders, thickeners, and stain-removers in the textile industry

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world’s largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.



Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period.

India’s textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. India’s textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India’s textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

(Source: IEBF)

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

The textile industry is one of the leading segments of the Indian economy and the largest source of foreign exchange earnings for India. This industry accounts for 4 percent of the gross domestic product (GDP), 20 percent of industrial output, and slightly more than 30 percent of export earnings. The textile and apparel industry employs about 38 million people, making it the largest source of industrial employment in India.

It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy Our company foresees very bright future in trading business in India. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

## PERFORMANCE DURING THE YEAR:

During the year under review, Company has earned total income of Rs. 42066.30 Lakh as against the total income of Rs. 24949.56 Lakh of previous year. The total income of the company was up by 68% over previous year. Further, Profit before Tax in the financial year 2021-2022 stood at Rs. 1262.25 Lakh as compared to Rs 780.41 Lakh of last year and Net Profit after Tax stood at Rs. 931.58 Lakh compared to profit of Rs. 532.49 Lakhs for previous year.

## OPPORTUNITIES AND THREATS

### MARKET DRIVERS

#### A RISE IN MILLENNIAL AND GEN Z POPULATION

Millennial are young spenders. According to Forbes, millennial in the United States spend \$ 600 billion annually and are projected to make up 35 percent of spending by 2030.

#### INCREASE IN DISPOSABLE INCOME & PER CAPITA APPAREL EXPENDITURE IN EMERGING ECONOMIES

The per capita apparel expenditure in India and China has increased by 31 percent and 27 percent which will result in increasing wallet size, which indeed will result in consumers with more money to spend and greater enthusiasm for lifestyle consumption.

#### THE INCREASING INFLUENCE OF SOCIAL MEDIA, MICRO-INFLUENCERS, & FASHION ICONS

Social media channels have turned into a lucrative marketing tool where shoppers are scrolling to social feeds, and bloggers are discovering the latest trends and cover must-have fashion items. Shoppers are not limiting social media channels to inspiration; they are also making purchases via social media channels. Hence, retailers are exploring social media marketing to leverage the shopping capabilities and boot sales volume.

#### GROWING PENETRATION OF E-COMMERCE AND INCREASING CROSS-BORDER E-COMMERCE.

The fashion world is moving online; an estimated 1.8 billion people across the globe purchased goods online. E-retail sales across the world summed \$2.8 trillion U.S. dollar, the projected growth of e-retails is 4.8 trillion U.S. dollars by the end of year 2022.

### MARKET RESTRAINTS

#### INCREASING AWARENESS AND DEMAND FOR SUSTAINABILITY

Fashion consumers across the globe are choosing eco-fashion over any other. They expect eco-friendly fabrics, reduced emission of pollutants, a conservation-minded use of resources, higher social commitment, and employee-friendly production.

#### RISING FAST FASHION CONSUMER DEMAND

The changing era of fast-changing preferences and shifting from push to pull model, responding to demand shift, and tailor production, create a lot of challenges for stakeholders. The fashion brands are under the continuous pressure of bringing new styles more frequently, switch out lines mid-season, smaller batch sizes, and increased on-demand replenishment due to a rise in fast fashion.

#### A SLOWDOWN IN THE GLOBAL ECONOMY

The global economy is going through a synchronized slowdown; the growth of the apparel and fashion industry has downgraded to 3 percent in the last year, the slowest pace since the global financial crisis. The global economy will continue to be weekend by rising trade barriers and increasing geopolitical tensions.

### OPPORTUNITIES

#### GROWING DEMAND IN EMERGING ECONOMIES

Apparel forms a large part of consumption in these emerging economies. Factors driving the growth in developing countries are increasing disposable income, the youth-dominated population, rising buying power, increasing fashion

awareness in rural areas. Also, the growing per capita consumption of apparel and the youth-dominated population will create a significant opportunity for apparel and fashion brands.

### **INCREASING DEMAND FOR SECONDHAND CLOTHING**

Millennials and Gen Z are driving the growth of secondhand. Currently, the millennial and boomers are the biggest secondhand consumers, accounting for 33 percent and 31 percent of total resale shoppers.

The secondhand market is currently valued at \$24 billion and is predicted to grow to \$51 billion in next 5-years and is expected to reach \$64 billion by 2028. The second hand market looks so dynamic that retailers are eager to get in on the circular fashion game. For today's fashions consumers, the line between new and used apparel is getting blur and that's what bringing a significant transformation in retail world.

### **THREAT**

#### **THE THREAT OF NEW ENTRANT**

New industry players are bringing new and unique business ideas to the table. Doubtlessly, new bees are getting smarter with smart business technology; they know the various way to popularize their products. Apparently, social media is their favorite and more effective one.

#### **BARGAINING POWER OF BUYER**

In the apparel and fashion industry, buyer power is a relatively larger force. The most critical force is buyers' bargaining ability, as buyers can choose to push prices down, not to buy products, or switch retailers. Buyers have many options to shop for apparel and fashion goods. So, a little incentive to stay with one particular company gives them indirect bargaining power.

#### **DEGREE OF COMPETITION**

The fashion and apparel industry is highly competitive as large numbers of retailers sell similar products. And brands allow some businesses to sell apparel for significant rates. In the industry, there is little innovation, so the market is rapidly becoming saturated with very similar products. The fashion industry is tough to get into and is almost becoming a "race to the bottom".

### **RISKS AND CONCERNS**

Every business has both Risk and Return and they are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts. Our senior management identifies and monitors the risk on regular basis and evolves process and system to control and minimize it. With regular check and evaluation business risk can be forecasted to the maximum extent and thus corrective measures can be taken in time.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an adequate internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Internal audits are conducted in the Company on regular basis.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

<b>PARTICULARS</b>	<b>2021-2022</b>	<b>2020-2021</b>
Revenue from Operations	42056.83	24883.37
Other Income	9.47	66.19
Total Income	42066.30	24949.56
Profit/(Loss) before Finance Cost, Depreciation & Tax	3197.14	1795.68
Less: Depreciation /Amortization/Impairment	742.36	402.76

Less: Finance Costs	1192.53	612.51
Profit/(Loss) Exceptional items and Tax Expense	1262.25	780.41
Profit/(Loss) before Tax	1262.25	780.41
Provision for Taxation - Current Tax	315.00	214.68
Deferred Tax	0.77	-16.03
Excess provision for Tax expense for earlier years	14.89	49.26
Profit for the year	931.58	532.49
Total Comprehensive Income/Loss (2)	946.72	533.45

The Board of Directors of the Company has, at its meeting held on January 23, 2021, approved a draft scheme of arrangement providing for amalgamation of Gopi Synthetics Private Limited ("Transferor Company No. 1"), Aarnav Synthetics Private Limited ("Transferor Company No. 2"), Aarnav Textile Mills Private Limited ("Transferor Company No. 3"), Symbolic Finance and Investment Private Limited ("Transferor Company No. 4") and Ankush Motor and General Finance Company Private Limited ("Transferor Company No. 5") (collectively referred as "Transferor Companies") with the Company, i.e., Aarnav Fashions Limited ("AFL" | "Transferee Company") (hereinafter referred to as "Scheme") in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable statutory provisions. The Hon'ble NCLT, Ahmedabad Bench has approved the aforesaid Scheme vide its order dated 10 August, 2022 pronouncing 01 October, 2020 as the "Appointed Date". The certified true copy of the said order was received on 05 September, 2022 and the order was filed with the Registrar of Companies on 17.09.2022.

Accordingly, the Company has restated financial results for year ended 31 March, 2022 has accounted for the amalgamation scheme using the acquisition method retrospectively for all the periods presented as prescribed in Ind AS 103- "Business Combination".

During the year under review, Company has earned total income of Rs. 42066.30 Lakh as against the total income of Rs. 24949.56 Lakh of previous year. The total income of the company was up by 68% over previous year. Further, Profit before Tax in the financial year 2021-2022 stood at Rs. 1262.25 Lakh as compared to Rs 780.41 Lakh of last year and Net Profit after Tax stood at Rs. 931.58 Lakh compared to profit of Rs. 532.49 Lakhs for previous year.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

At Aarnav, employees are its prime assets and a vital key to its success. The company is committed to creating a professional culture to nurture and enable people to grow in their careers alongside Company's success. The Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve desired results in line with our strategic business ambitions.

### **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONGWITH EXPLANATION**

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company along with explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'), has been provided hereunder:

### **DISCLOSURES RELATING TO VARIOUS RATIOS**

SR. NO	RATIO	31ST MARCH, 2022	31ST MARCH, 2021	% VARIANCE	REASON FOR VARIANCE
1	Current ratio	1.561	1.526	2.25%	Not a Material Variation
2	Debt-Equity ratio	1.660	1.650	0.57%	Not a Material Variation
3	Debt- service coverage ratio	1.592	1.418	12.27%	Due to Increase in EBDIT
4	Return on equity ratio	5.386	3.225	67.04%	Due to Increase in Profit

5	Inventory turnover ratio	2.924	2.271	28.74%	Due to Increase in Sales
6	Trade receivable turnover ratio	2.347	2.507	-6.37%	Not a Material Variation
7	Trade payables turnover ratio	3.648	3.584	1.79%	Not a Material Variation
8	Net capital turnover ratio	3.350	2.250	48.89%	Due to Increase in Total Sales
9	Net profit ratio	2.227	2.159	3.04%	Not a Material Variation
10	Return on capital employed	14.193	8.435	68.26%	Due to Increase in EBDIT
11	Return on investment	NA	NA	0.00%	---

### CAUTIONARY STATEMENT

Statements in the Management Discussion Analysis describing the Company’s objectives, projections, estimates and expectations may be considered as “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The factors that might influence the operations of the Company are economic conditions, government regulations and natural calamities over which the Company has no control.

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

### CONCLUSION

To conclude, the performance of the company during the year 2021-2022 was improved in all parameters as compared to previous years. In spite of lots of challenges, the performance of the company was satisfactory. By implementing cost effective measures and aggressive marketing strategies the company will achieve further improvement in its performance and serve the stakeholder’s in a way ahead.

## CODE OF CONDUCT DECLARATION

I hereby declare that all Board members of the Company and senior management personnel have affirmed compliance with the Code of Conduct of the Company as per Regulation 26(3) of SEBI (LODR) Regulations, 2015.

**ON BEHALF OF THE BOARD OF DIRECTORS  
FOR, AARNAV FASHIONS LIMITED**

**Date: 19/11/2022  
Place: Ahmedabad**

**MR. CHAMPALAL GOPIRAM AGARWAL  
CHAIRMAN & DIRECTOR  
DIN: 01716421**

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# ANNEXURE-F

## CEO/ CFO CERTIFICATION (AS PER REGULATION 17(8) OF THE LISTING REGULATIONS)

We, Managing Director and Chief Financial Officer, certify to the Board of Directors of AARNAV FASHIONS LIMITED (the "Company") that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2022 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- a. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- b. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- c. We have indicated to the Auditors and the Audit Committee:
  - i. that there are no significant changes in internal control during the year;
  - ii. that there are no significant changes in accounting policies during the year other than those which have been disclosed in the notes to the financial statements; and
- iii. that there are no instances of significant fraud of which we became aware or the involvement therein, of any member of management or an employee having a significant role in the Company's internal control system over financial reporting.

**FOR, AARNAV FASHIONS LIMITED**

**FOR, AARNAV FASHIONS LIMITED**

**MR. CHAMPALAL GOPIRAM AGARWAL  
CHAIRMAN & DIRECTOR**

**MR. RADHAKISHAN LEKHARAM SHARMA  
CFO**

# INDEPENDENT AUDITORS' REPORT

**To the Members of  
M/s. AARNAV FASHIONS LIMITED**

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

### **Opinion**

We have audited the accompanying standalone financial statements of **M/s. AARNAV FASHIONS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with 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 31<sup>st</sup> March, 2022 and its profit & total Comprehensive Income, Changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

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

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

Based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of 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 judgements and estimates that are responsible 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 standalone 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.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statement**

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

A further description of the auditor's responsibilities for the audit of the standalone financial statements is included in "**Annexure-A**". This description forms part of our auditor's report.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure – B**", 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, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and the cash flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure - C”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 for which provision have not been made which would impact its financial position.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) There is no fund which is pending 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The dividend declared and paid during the year by the company is in compliance with the provision of section 123 of the Companies Act, 2013.

**As per our Report of Even Date For and on Behalf of**

**NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W**

**Place : Ahmedabad  
Date : 14/11/2022  
UDIN – 22116735BDBCEH4380**

**(CA. GAURAV NAHTA)  
PARTNER  
MEM. NO. 116735**

**Annexure “A” to the Independent Auditor’s Report  
Responsibilities for Audit of Financial Statement**

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**As per our Report of Even Date For and on Behalf of**

**NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W**

**Place : Ahmedabad  
Date : 14/11/2022  
UDIN – 22116735BDBCEH4380**

**(CA. GAURAV NAHTA)  
PARTNER  
MEM. NO. 116735**

### **Annexure “B” to the Independent Auditor’s Report**

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that;

- (i) In respect of Fixed Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) As per the information and explanations given to us, assets have been physically verified by the management during the year as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based on our examination of documents regarding Immovable Property We report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. (Please refer Note No. 2.45 on “Amalgamation”)
  - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of use assets) or intangible assets does not arise.
  - e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of my commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise
- (ii) In respect of Inventory:
  - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our Opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013:
  - (1) The loan given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company’s interest;
  - (2) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(3) In respect of the said loans and interest thereon, there are no overdue amounts.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- vi) The central government has prescribed maintenance of cost records under section 48(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2020-21 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of statutory dues that have not been deposited on account of disputes are as under:-

Sr. No.	Name of The Statute	Demand pertaining to Year	Amount (Rs. in Lakh)	Forum Where Dispute is Pending	Remark
1.	Income Tax Act, 1961	Asst. Year 2017-2018	238.65	CIT (Appeals), Ahmedabad	Rs.48.00 Lakh deposited under Protest

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account
- (ix)
- a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us, no term loan is availed by the company during the year under consideration. Hence, the reporting on Term Loan utilisation during the year does not arise.

- d) According to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
- e) According to the information and explanations given to us, Company doesn't have subsidiaries as defined under the Companies Act, 2013 accordingly, clause 3(ix)(e) of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable. However, the Company has issued equity shares as a purchase consideration for the acquisition of various private limited Companies under the Amalgamation approved by NCLT, Ahmedabad.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, We report that no fraud by the Company or on the Company has been noticed or reported during the course of the Audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) 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, the Company has not received any whistle- blower complaints during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) 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 and 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 comes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and We neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**As per our Report of Even Date For and on Behalf of**

**NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W**

**Place : Ahmedabad  
Date : 14/11/2022  
UDIN – 22116735BDBCEH4380**

**(CA. GAURAV NAHTA)  
PARTNER  
MEM. NO. 116735**



## **Annexure “C” to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of **M/s. AARNAV FASHIONS LIMITED** (“the Company”), as of 31<sup>ST</sup> March, 2022, in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

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

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

#### **Auditor’s Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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.

**As per our Report of Even Date For and on Behalf of**

**NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W**

**Place : Ahmedabad  
Date : 14/11/2022  
UDIN – 22116735BDBCEH4380**

**(CA. GAURAV NAHTA)  
PARTNER  
MEM. NO. 116735**

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Amt Rs. in Lakh)

Particulars	Notes	As on 31st March, 2022	As on 31st March, 2021
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipments	2.00	12,841.23	13,570.68
(b) Intangible Assets	2.01	1,028.19	1,003.46
(c) Right of Use of Asset	2.02	-	1.25
<b>(b) Financial Assets</b>			
(i) Investments	2.03	0.03	0.04
(ii) Bank Balances other		-	-
(c) Deferred tax assets (net)		-	-
<b>Total Non Current Assets</b>		<b>13,869.44</b>	<b>14,575.43</b>
<b>(2) Current Assets</b>			
(a) Inventories	2.04	12,712.54	8,563.01
(b) Investments	2.05	1,190.26	1,175.12
<b>(c) Financial Assets</b>			
(i) Trade receivables	2.06	17,190.08	18,461.09
(ii) Cash and cash equivalents	2.07	622.34	452.23
(iii) Other Financial Assets & Loans & Advances	2.08	1,532.10	1,504.34
(d) Other Current Assets	2.09	1,495.31	1,644.47
<b>Total Current Assets</b>		<b>34,742.63</b>	<b>31,800.26</b>
<b>TOTAL ASSETS</b>		<b>48,612.07</b>	<b>46,375.68</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	2.10	4,223.86	4,223.86
(b) Other Equity	2.11	13,071.37	12,289.30
<b>Total Equity</b>		<b>17,295.23</b>	<b>16,513.16</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	2.12	6,445.62	6,408.13
(ii) Other Financial Liabilities		-	-
(b) Deferred Tax Liabilities (Net)	2.13	2,614.62	2,613.85
<b>Total Non Current Liabilities</b>		<b>9,060.25</b>	<b>9,021.98</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Trade Payables	2.14	8,632.82	8,793.91
(ii) Borrowings	2.15	8,838.44	7,899.64
(ii) Other financial liabilities		-	-
(b) Other Current Liabilities	2.16	4,661.07	4,047.30
(c) Current Tax Liabilities (net)	2.17	124.26	99.70
<b>Total Current Liabilities</b>		<b>22,256.59</b>	<b>20,840.54</b>
<b>Total Liabilities</b>		<b>31,316.84</b>	<b>29,862.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>48,612.07</b>	<b>46,375.68</b>
Summary of significant accounting policies	1	0.00	-

The Accompanying notes 2.00 to 2.56 are an integral part of the standalone financial statements.

As per our report of even date  
FOR, NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W

For and on behalf of the Board of Directors  
AARNAV FASHIONS LIMITED

(CA. GAURAV NAHTA)  
PARTNER  
MEM. NO. 116735

CHAMPALAL AGARWAL  
DIN: 01716421  
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL  
DIN: 00356863  
MANAGING DIRECTOR

NIDHI AGRAWAL  
DIN: 08364168  
NON- EXECUTIVE DIRECTOR, COMPANY SECRETARY  
& COMPLIANCE OFFICER

RADHAKISHAN SHARMA  
CHIEF FINANCIAL OFFICER

PLACE : AHMEDABAD  
DATE : 14-11-2022

## STATEMENT OF STANDALONE PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(Amt Rs. in Lakh)				
Sr. No	Particulars	Notes	<i>For the year Ended on 31st March, 2022</i>	<i>For the year Ended on 31st March, 2021</i>
I	Revenue from operations	2.18	42,056.83	24,883.37
II	Other Income	2.19	9.47	66.19
III	<b>III. Total Income (I +II)</b>		<b>42,066.30</b>	<b>24,949.56</b>
IV	<b>Expenses:</b>			
	(a) Cost of Materials Consumed	2.20	29,386.52	15,238.34
	(b) Purchase of Stock in Trade		4,423.13	2,897.57
	(c) Changes in inventories Stock-in-Trade	2.21	-	2,706.73
	(d) Employee Benefit Expense	2.22	628.00	368.03
	(e) Finance Costs	2.23	1,192.53	612.51
	(f) Depreciation and Amortization Expense	2.00	742.36	402.76
	(g) Other Expenses	2.24	7,138.26	3,338.43
	<b>Total Expenses (IV)</b>		<b>40,804.06</b>	<b>24,169.15</b>
V	Profit before exceptional items and tax	(III - IV)	1,262.25	780.41
VI	Exceptional Items		-	-
VII	Profit before tax (VII - VIII)		<b>1,262.25</b>	<b>780.41</b>
VIII	<b>Less:-Tax expense:</b>	2.13		
	(a) Current tax		315.00	214.68
	(b) Short/(Excess) Provision of earlier years		14.89	49.26
	(c) Deferred Tax charge/(credit)		0.77	-16.03
IX	Profit(Loss) for the period from continuing operations	(VII- VIII)	<b>931.58</b>	<b>532.49</b>
X	Other Comprehensive Income (Net of Tax)	2.25	15.14	0.96
	Total Comprehensive Income for the year		<b>946.72</b>	<b>533.45</b>
XI	Earning per equity share of face value of Rs.10/- Basic & Diluted (From Continuing Operations)	2.26	<b>2.24</b>	<b>1.86</b>
	<b>Summary of significant accounting policies</b>	<b>1</b>		

The Accompanying notes 2.00 to 2.56 are an integral part of the standalone financial statements

As per our report of even date  
FOR, NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W

For and on behalf of the Board of Directors  
AARNAV FASHIONS LIMITED

(CA. GAURAV NAHTA)  
PARTNER  
MEM. NO. 116735

CHAMPALAL AGARWAL  
DIN: 01716421  
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL  
DIN: 00356863  
MANAGING DIRECTOR

NIDHI AGRAWAL  
DIN: 08364168  
NON- EXECUTIVE DIRECTOR, COMPANY SECRETARY  
& COMPLIANCE OFFICER

RADHAKISHAN SHARMA  
CHIEF FINANCIAL OFFICER

PLACE : AHMEDABAD  
DATE : 14-11-2022

## CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31st MARCH, 2022

		(Amt Rs. in Lakh)	
Particulars		2021-2022	2020-2021
<b>A</b>	<b>Cash Flow From Operating Activity</b>		
	Profit before Taxes	1262.25	780.41
	Adjustments For:		
	Depreciation & Amortisation Exp	742.36	402.76
	Finance Expenses	1192.53	612.51
	Change in the value of Equity Instruments	15.14	0.96
	Profit on sale of Investments/Assets	(0.03)	(66.19)
	<b>Operation profit before Working Capital Changes</b>	<b>3212.24</b>	<b>1730.45</b>
	<b>Adjustments for changes in working capital:</b>		
	Increase/ (Decrease) Short Term Borrowings	938.81	7899.64
	Increase/ (Decrease) Trade Payable	(161.09)	7679.06
	Increase/ (Decrease) Other Current Liabilities	613.77	4042.18
	Increase/ (Decrease) Provision	24.56	37.66
	(Increase)/ Decrease Loans & Advances	(27.77)	513.83
	(Increase)/ Decrease Trade Receivables	1271.01	(17243.76)
	(Increase)/ Decrease Other Current Assets	149.16	(1644.47)
	(Increase)/ Decrease Inventory	(4149.53)	(8563.01)
	<b>Cash Generated from / (used in) operations</b>	<b>1871.16</b>	<b>(5548.42)</b>
	Direct Taxes (paid)/Refund	(330.67)	(247.92)
	<b>Net Cash from/(used in ) Operating activity</b>	<b>1540.50</b>	<b>(5796.33)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Investment in Bank deposits (having original maturity of more than 3 months)	0.00	0.00
	(Purchase) / sale of Investments	(15.13)	(1099.22)
	(Addition)/Deduction of Fixed Assets	(12.88)	(13963.89)
	(Addition)/Deduction of Intangible Assets/Right to use Asset	(23.47)	(1003.46)
	<b>Net cash used in Investing activities</b>	<b>(51.48)</b>	<b>(16066.58)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Repayment) / Addition in Borrowings	37.49	6408.13
	Proceeds from Issue of New Shares including Premium	0.00	13973.57
	Change in Deferred Tax Liabilities	0.77	2616.95
	Old I.Tax demand paid under VSV Scheme	(89.62)	0.00
	Finance Expenses	(1192.53)	(612.51)
	Distribution of Dividend to Eq. Shareholders	(75.03)	(75.03)
	<b>Net cash used in Financing activities</b>	<b>(1318.91)</b>	<b>22311.11</b>
	<b>Net increase/(Decrease) in cash and cash equivalent</b>	<b>170.11</b>	<b>448.21</b>
	<b>Opening balance of cash and cash equivalent</b>	<b>452.23</b>	<b>4.02</b>
	<b>Closing balance of cash and cash equivalent</b>	<b>622.34</b>	<b>452.23</b>
		0.00	0.00

**Notes:**

<b>i) Components of Cash &amp; Cash Equivalents</b>				
	<b>Particulars</b>		<b>2021-2022</b>	<b>2020-2021</b>
	Cash On Hand		29.40	28.44
	Balance with Bank		169.61	12.36
	Fixed Deposit with Bank		423.32	411.43
			<b>622.34</b>	<b>452.23</b>

<b>ii) Reconciliation of liabilities arising from financing activities</b>				
	<b>As at March 31, 2022</b>	<b>Op. Balance</b>	<b>Cash Flows</b>	<b>Closing balance</b>
	Non-current Borrowings	6,408.13	37.49	6,445.62
	Current Borrowings	7,899.64	938.81	8,838.44
	<b>Total liabilities from financing activities</b>	<b>14,307.76</b>	<b>976.30</b>	<b>15,284.07</b>
	<b>As at March 31, 2021</b>	<b>Op. Balance</b>	<b>Cash Flows</b>	<b>Closing balance</b>
	Non-current Borrowings	-	6,408.13	6,408.13
	Current Borrowings	-	7,899.64	7,899.64
	<b>Total liabilities from financing activities</b>	<b>-</b>	<b>14,307.76</b>	<b>14,307.76</b>

<b>Notes to Cash Flow Statement</b>				
1. The Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS 7 on Cash Flow Statement notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (India Accounting Standard) Rules 2015 (as amended).				
2. Previous year's figures have been reclassified /regrouped wherever considered necessary.				
3. Figures in bracket indicate cash outflow.				
Summary of significant accounting policies				
1				
The Accompanying notes 2.00 to 2.56 are an integral part of the standalone financial statements				

As per our report of even date  
**FOR, NAHTA JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO. 106801W**

For and on behalf of the Board of Directors  
**AARNAV FASHIONS LIMITED**

(CA. GAURAV NAHTA)  
**PARTNER**  
**MEM. NO. 116735**

**CHAMPALAL AGARWAL**  
**DIN: 01716421**  
**CHAIRMAN AND DIRECTOR**

**SUMIT AGARWAL**  
**DIN: 00356863**  
**MANAGING DIRECTOR**

**NIDHI AGRAWAL**  
**DIN: 08364168**  
**NON- EXECUTIVE DIRECTOR, COMPANY SECRETARY**  
**& COMPLIANCE OFFICER**

**RADHAKISHAN SHARMA**  
**CHIEF FINANCIAL OFFICER**

**PLACE : AHMEDABAD**  
**DATE : 14-11-2022**

Statement for changes in equity for the year ended 31st March, 2022

A) Equity Share Capital	No of Shares	(Amt Rs. in Lakh)
Equity Shares of Rs 10 Each issued, subscribed and fully paid		
As at 1st April, 2020	1,50,05,000	1,500.50
Changes during the year(see Note on Merger)	2,72,33,628	2,723.36
As at 31st March, 2021	4,22,38,628	4,223.86
Changes during the year	-	-
As at 31st March, 2022	4,22,38,628	4,223.86

B) Other Equity	Particulars	Securities Premium	Retained Earnings	(Amt Rs. in Lakh)	
				Other Comprehensive Income	Total
	Opening Balance as at 1st April, 2020	312.75	267.91	-	580.66
	Profit for the year	NA	532.49	-	532.49
	Security Premium received/added during year	11,250.21	NA	NA	11,250.21
	Less: Share Issue Expenses	-	NA	NA	-
	Add: Due to Increase in Value of Equity Instruments (Net)	NA	NA	0.96	0.96
	Other Comprehensive income for the year (Net of Tax)	NA	-	-	-
	Dividend including DDT	NA	(75.03)	NA	(75.03)
	Total Comprehensive income for the year	11,250.21	457.47	0.96	11,708.64
	Balance as at 31st March, 2021	11,562.96	725.38	0.96	12,289.30
	Profit for the year	NA	931.58	-	931.58
	Security Premium received during year	-	NA	NA	-
	Less: Share Issue Expenses	-	NA	NA	-
	Add: Due to Increase in Value of Equity Instruments (Net)	NA	NA	15.14	15.14
	Other Comprehensive income for the year (Net of Tax)	NA	-	-	-
	Less: I.Tax paid on VSV Scheme(AY13-14)	NA	(89.62)	-	(89.62)
	Dividend including DDT	NA	(75.03)	-	(75.03)
	Total Comprehensive income for the year	-	766.93	15.14	782.07
	Balance as at 31st March, 2022	11,562.96	1,492.32	16.09	13,071.37
	Summary of significant accounting policies	1			

The Accompanying notes 2.00 to 2.56 are an integral part of the standalone financial statements

As per our report of even date  
FOR, NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 106801W

For and on behalf of the Board of Directors  
AARNAV FASHIONS LIMITED

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PLACE : AHMEDABAD  
DATE : 14-11-2022



**Notes to Standalone Financial Statement of**  
For the year ended on 31<sup>st</sup> March 2022

**1. (A) CORPORATE INFORMATION:**

**AARNAV FASHIONS LIMITED** (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange of India. The registered office of the Company is located at Shop No. 1, New Cloth Market, O/s Raipur gate, Ahmedabad-380002. The Company is mainly engaged in the business of Textiles and financial services.

Pursuant to the amalgamation, as stated hereunder, now, the Company has its corporate office and Factory premises situated at Survey No. 302-305, Isanpur, Vatva Road, Ahmedabad – 382405.

It is stated that, in terms of Clause 13 of the Scheme of Arrangement providing amalgamation of Gopi Synthetics Private Limited ("GSPL"), Aarnav Synthetics Private Limitee ("ASPL"), Aarnav Textile Mills Private Limited ("ATMPL"), Symbolic Finance and Investment Private Limited ("SFIPL") and Ankush Motor and General Finance Company Private Limited ("AMFGCPL") with Aarnav Fashions Limited ("AFL") and their respective shareholders and creditors ("Scheme of Arrangement") has been approved in terms of the provisions of sections 230 to 232 read with sections 66 and other applicable provisions of the Companies Act, 2013, by NCLT, Ahmedabad bench on 10.08.2022. The appointed date for the amalgamation is October 1, 2020.

The order of Hon'ble NCLT, Ahmedabad bench (No.C.P. (CAA)/6(AHM)2022 in C.A.(CAA)/67(AHM)2021 has been approved on 10.08.2022 and the certified copy of the order has been received on 05.09.2022. The order was filed with the Registrar of Companies, Gujarat. Pursuant to the Scheme, the Company has once again prepared the merged results for F.Y. 2021-2022 for giving the effect of merger from date 01.10.2020. This financial statement (after giving the merger effects) is approved for issue by the Audit Committee as at its meeting and by the Board of Directors on 14th Nov, 2022.

It is further stated that the said order has also been approved and taken on records by Ministry of Corporate Affairs on 31st October, 2022, and by virtue of this order, all the assets and liabilities of Transferor Companies have been amalgamated with Transferee Company.

Pursuant to the Scheme, the Company has allotted 2,72,33,628 equity shares of face value of Rs.10.00 each, fully paid-up as per the share exchange ratio specified in the Scheme to the specified shareholders of the Transferor Companies as on November 5, 2022 ("Record Date").

Further, this financial statement has been prepared by giving the effect of such amalgamation. Thus, the Assets and liabilities taken over from Transferor Companies have been depicted under this financial statement as the assets and liabilities of our company. Also the equity shares have also been deemed to have been issued to the shareholders of transferor companies against the purchase consideration and the effect such issuance of New Equity shares has also been given in the paid up share capital and share premium under the head "Equity" in this financial statement.

**(B) BASIS OF PREPARATION:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. Refer accounting policy regarding financial instruments.

The financial statements are presented in 'Lakh' of Rupees with two decimals.

## 1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

### b. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management after discussion with the Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant accounting judgements, estimates and assumptions, Quantitative disclosures of fair value measurement hierarchy and Financial instruments (including those carried at amortised cost) are stated by way of the note at the appropriate place of the accounts.

**c. FINANCIAL INSTRUMENTS:**

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)
- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Equity investments**

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described

below:

Financial liabilities at fair value through Statement of Profit and Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For

liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through Statement of Profit and Loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### **Derecognition**

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

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **Offsetting of financial instruments**

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

**d. INVENTORIES:**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. Cost is determined as under:

Cloth – Actual cost plus Average Overhead cost, if any.

Colour-Chemicals, stores, etc – Actual cost on FIFO basis.

Cost includes purchase cost and other direct cost incurred in bringing them in their respective present location and condition.

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

**e. Revenue recognition**

Revenue from sale of goods and services is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Company considers below, if any:

**Variable consideration:**

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

**Significant financing component:**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good or service will be one year or less.

**Consideration payable to a customer:**

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Company. Further, in accordance with Ind AS 37, the Company recognizes a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

**Contract balances:**



**Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

#### **Sale of services**

Income from service rendered is recognized on accrual basis based on the terms of agreements and when services are rendered.

#### **Dividend and interest income**

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **f. TAXES:**

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred Tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ▶ When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**g. PROVISIONS:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

**h. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**i. CASH AND CASH EQUIVALENT:**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**j. CASH DIVIDEND**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**k. BORROWING COSTS:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**l. BUSINESS COMBINATIONS:**

Wherever any business combination is governed by the Scheme approved by the NCLT, the business combination is accounted for as per the accounting treatment sanctioned in the Scheme.

**m. LEASING: Ind AS 116 – Leases:**

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.

**Lessee Accounting**

1. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
2. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.
3. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, Plant and equipment.
4. Recognition and measurement exemption is available for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets. Short-term leases are defined as leases with a lease term of 12 months or less.
5. If an entity chooses to apply any one of the exemptions, payments are recognised on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee’s benefit.

**1.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **(a) Fair value measurement for financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **1.3 Rounding Off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs (with two decimals) as per the requirements of Schedule III, unless otherwise stated.

### **1.4 New Amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions stated.

### **1.5 Reclassifications consequent to amendments to Schedule III**

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

**AARNAV FASHIONS LIMITED**  
(CIN - L17100GJ1983PLC028990)

**NOTE : 2.00 OF PROPERTY, PLANT & EQUIPMENTS**

(Amt in Rs. in Lakh)

Sr No	Name of the Assets	GROSS BLOCK					DEPRECIATION (SLM)				NET BLOCK	
		As on 01.04.21	Addition	Capital Subsidy Rec'ble	Deduction	Total as on 31.03.22	As on 01.04.21	For the Year	Adjusted	Total as on 31.03.22	As on 31/03/22	As on 31/03/21
1	LAND - (S.No.302-303)	3056.13	0.00	0.00	0.00	3056.13	0.00	0.00	0.00	0.00	3056.13	3056.13
	LAND - (S.No.304-305)	2892.99	0.00	0.00	0.00	2892.99	0.00	0.00	0.00	0.00	2892.99	2892.99
2	Factory Building(302,303)	1445.44	0.00	0.00	0.00	1445.44	372.88	48.18	0.00	421.06	1024.38	1072.56
	Factory Building(304,305)	661.08	0.00	0.00	0.00	661.08	50.10	22.04	0.00	72.13	588.95	610.98
3	Plant & Machineries	9354.98	10.00	0.00	0.00	9364.98	3753.67	592.80	0.00	4346.48	5018.50	5601.31
4	Electric Installation	72.28	0.00	0.00	0.00	72.28	58.42	4.58	0.00	63.00	9.29	13.86
5	Electro. Weigh Bridge	4.27	0.00	0.00	0.00	4.27	4.27	0.00	0.00	4.27	0.00	0.00
6	Furniture & Fixture(Fact)	219.43	0.00	0.00	0.00	219.43	129.98	13.89	0.00	143.87	75.56	89.45
	Furniture & Fixture(Off)	5.90	0.00	0.00	0.00	5.90	5.60	0.00	0.00	5.60	0.29	0.29
7	Office Equipment	66.68	0.56	0.00	0.00	67.24	51.71	4.26	0.00	55.96	11.28	14.98
8	Vehicles	307.13	0.89	0.00	0.58	307.43	238.58	29.24	0.46	267.37	40.06	68.54
9	Vehicles(Truck/Loading Van)	2.54	0.00	0.00	0.00	2.54	2.46	0.00	0.00	2.46	0.09	0.09
10	Computer	32.95	1.59	0.00	0.00	34.54	32.95	0.31	0.00	33.26	1.28	0.00
11	Effluent Treatment Plant	427.48	0.00	0.00	0.00	427.48	277.98	27.06	0.00	305.04	122.44	149.50
	<b>Total</b>	<b>18549.27</b>	<b>13.04</b>	<b>0.00</b>	<b>0.58</b>	<b>18561.73</b>	<b>4978.59</b>	<b>742.36</b>	<b>0.46</b>	<b>5720.50</b>	<b>12841.23</b>	<b>13570.68</b>

(Amt in Rs. in Lakh)

Sr No	Name of the Assets	GROSS BLOCK						DEPRECIATION (SLM)					NET BLOCK	
		As on 01.04.20	Assets Acquired on Amalgamation	Addition made during the year	Capital Subsidy Rec'ble	Deduction	Total as on 31.03.21	As on 01.04.20	Accumu. Dep. Trfd. On Amalgamation	For the Year	Adjusted	Total as on 31.03.21	As on 31/03/21	As on 31/03/20
1	LAND - (S.No.302-303)	0	2941.40	114.73	0.00	0.00	3056.13	0.00	0.00	0.00	0.00	0.00	3056.13	2941.40
	LAND - (S.No.304-305)	0	2892.99	0.00	0.00	0.00	2892.99	0.00	0.00	0.00	0.00	0.00	2892.99	2892.99
2	Factory Building(302,303)	0	1445.44	0.00	0.00	0.00	1445.44	0.00	348.79	24.09	0.00	372.88	1072.56	1096.65
	Factory Building(304,305)	0	661.08	0.00	0.00	0.00	661.08	0.00	39.08	11.02	0.00	50.10	610.98	622.00
3	Plant & Machineries	0	9206.12	249.76	70.51	30.39	9354.98	0.00	3456.92	325.76	29.00	3753.67	5601.31	5749.20
4	Electric Installation	0	72.28	0.00	0.00	0.00	72.28	0.00	56.13	2.29	0.00	58.42	13.86	16.15
5	Electro. Weigh Bridge	0	4.27	0.00	0.00	0.00	4.27	0.00	4.27	0.00	0.00	4.27	0.00	0.00
6	Furniture & Fixture(Fact)	0	219.43	0.00	0.00	0.00	219.43	0.00	124.59	5.39	0.00	129.98	89.45	94.84
	Furniture & Fixture(Off)	0	5.90	0.00	0.00	0.00	5.90	0.00	5.30	0.30	0.00	5.60	0.29	0.59
7	Office Equipment	0	66.49	0.62	0.00	0.42	66.68	0.00	49.83	2.14	0.26	51.71	14.98	16.66
8	Vehicles	0	359.14	0.69	0.00	52.70	307.13	0.00	259.08	17.04	37.54	238.58	68.54	100.06
9	Vehicles(Truck/Loading Van)	0	9.44	0.00	0.00	6.90	2.54	0.00	4.93	0.44	2.91	2.46	0.09	4.52
10	Computer	0	32.73	0.22	0.00	0.00	32.95	0.00	32.64	0.31	0.00	32.95	0.00	0.09
11	Effluent Treatment Plant	0	427.48	0.00	0.00	0.00	427.48	0.00	264.45	13.53	0.00	277.98	149.50	163.03
	<b>Total</b>	<b>0</b>	<b>18344.17</b>	<b>366.01</b>	<b>70.51</b>	<b>90.41</b>	<b>18549.27</b>	<b>0.00</b>	<b>4646.00</b>	<b>402.30</b>	<b>69.71</b>	<b>4978.59</b>	<b>13570.68</b>	<b>13698.18</b>

**NOTE : 2.01 OF INTANGIBLE ASSETS**

(Amt in Rs. in Lakh)

Sr No	Name of the Assets	GROSS BLOCK				DEPRECIATION (WDV)				NET BLOCK	
		As on 01.04.21	Addition	Diposal/ Adj. during the year	Total as on 31.03.22	As on 01.04.21	For the Year	Diposal/ Adj. during the year	Total as on 31.03.22	As on 31/03/22	As on 31/03/21
1	Right To Use Mega Pipe Line	24.15	0.00	0.00	24.15	0.00	0.00	0.00	0.00	24.15	24.15
2	Right to use CETP Plant	483.52	24.73	0.00	508.25	0.00	0.00	0.00	0.00	508.25	483.52
3	Godwill on Amalgamation	495.79	0.00	0.00	495.79	0.00	0.00	0.00	0.00	495.79	495.79
	<b>Total</b>	<b>1003.46</b>	<b>24.73</b>	<b>0.00</b>	<b>1028.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1028.19</b>	<b>1003.46</b>

(Amt in Rs. in Lakh)

Sr No	Name of the Assets	GROSS BLOCK					DEPRECIATION (SLM)					NET BLOCK	
		As on 01.04.20	Assets Acquired on Amalgamation	Addition made during the year	Deduction	Total as on 31.03.21	As on 01.04.20	Accumu. Dep. Trfd. On Amalgamation	For the Year	Adjusted	Total as on 31.03.21	As on 31/03/21	As on 31/03/20
1	Right To Use Mega Pipe Line	0	24.15	0.00	0.00	24.15	0.00	0.00	0.00	0.00	0.00	24.15	24.15
2	Right to use CETP Plant	0	431.97	51.56	0.00	483.52	0.00	0.00	0.00	0.00	0.00	483.52	431.97
2	Godwill on Amalgamation	0	495.79	0.00	0.00	495.79	0.00	0.00	0.00	0.00	0.00	495.79	495.79
	<b>Total</b>	<b>0</b>	<b>951.90</b>	<b>51.56</b>	<b>0.00</b>	<b>1003.46</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1003.46</b>	<b>951.90</b>

**2.02 Right to use of Assets**

Particulars	(Amt Rs. in Lakh)	
	ROU	TOTAL
<b>Cost / Deemed cost</b>		
<b>As at April 1, 2020</b>	<b>2.16</b>	<b>2.16</b>
Additions	-	-
Deductions	-	-
<b>As at March 31, 2021</b>	<b>2.16</b>	<b>2.16</b>
Additions	-	-
Deductions	-2.16	-2.16
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>		
<b>As at April 1, 2020</b>	<b>0.46</b>	<b>0.46</b>
Depreciation for the year	<b>0.46</b>	<b>0.46</b>
Deductions	-	-
<b>As at March 31, 2021</b>	<b>0.91</b>	<b>0.91</b>
Depreciation for the year	-	-
Deductions	-0.91	-0.91
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>		
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2021</b>	<b>1.25</b>	<b>1.25</b>
<b>As at April 1, 2020</b>	<b>1.71</b>	<b>1.71</b>

Property, plant and equipment comprises leased assets that do not meet the definition of investment property.

Particulars	As at March 2022	As at March 2021
Right-of-use assets, except for investment property	-	1.25

**Maturity analysis of lease liabilities**

Maturity analysis –	As at March 2022	As at March 2021
contractual undiscounted cash flows		
Less than one year	0.00	1.40
One to five years	0.00	0.00
More than five years	0.00	0.00
<b>Total undiscounted lease liabilities at 31 March 2022</b>	<b>0.00</b>	<b>1.40</b>



**Note : 2.03 Investments (Non Current)**

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Investments in Equity Instruments</b>		
<b>Unquoted Investment</b>		
100 (31st March, 2021: 100) Equity shares of Nikesh Silk Private Limited of Rs 10/- Each.	-	0.01
25 (31st March, 2021: 25) Equity Shares of SVC Co-operative Bank Ltd of face Value of Rs.10/- Each.	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.04</b>
Aggregate book value of unquoted Investments	0.03	0.04

**Note : 2.04 Inventories**

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials		
Grey Cloth	3,562.76	3,056.74
Colour & Chemicals	1,130.43	415.39
Stores & Spares	145.82	80.42
Coal/Firewood/Lignite	81.61	14.64
Design & Engraving Items	142.42	84.94
Packing Materials - A	39.12	27.48
Packing Materials- B	20.25	-
Stock-in-Process (Self)	4,409.48	2,944.95
Stock-in-Process (Job)	185.27	131.94
Finished Goods (At Cost or M.V. w/e is less)	2,974.12	1,806.52
Trading Stock (At Cost or M.V. w/e is less)	21.27	-
<b>Total</b>	<b>12,712.54</b>	<b>8,563.01</b>

**Note : 2.05 Investments (Current)**

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Investments in Equity Instruments</b>		
<b>Unquoted Investment</b>		
1. 3,51,600 (P.Y. 351600) Eq.Sh. Of Alpine Spinweave Pvt. Ltd. (Incl. Bonus Sh.of 307650)	40.74	40.74
2. 13,73,332 (P.Y. 1373332) Eq. Sh. Of Aarnav Industries Pvt. Ltd.	1,129.51	1,129.51
<b>Quoted Investment</b>		
Units of Mutual Fund (Sundaram LMGP)	3.92	3.92
<b>Total</b>	<b>1,174.16</b>	<b>1,174.16</b>
<b>Add/Less:- Appreciation/(Diminution) in Value taken through Other Comprehensive Income</b>	<b>16.09</b>	<b>0.96</b>
<b>Total value of Investment (At Carrying Cost)</b>	<b>1,190.26</b>	<b>1,175.12</b>
Aggregate Market Value of Quoted Investment	6.41	5.17
Aggregate book value of unquoted Investments	1,170.24	1,170.24

**Note : 2.06 Trade Receivables**

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :		
From related parties	109.08	-
From others	17,150.67	18,481.12
	17,259.75	18,481.12
Less: Allowance for Credit Losses	69.67	20.03
<b>Total</b>	<b>17,190.08</b>	<b>18,461.09</b>

(See Separate Note No. 2.52 for Receivables' Ageing Schedule)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

**Note : 2.07 Cash & Cash Equivalent**

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b><u>Cash-in-Hand</u></b>		
Cash Balance	29.40	28.44
<b>Sub Total (A)</b>	29.40	28.44
<b><u>Balance with Scheduled Bank</u></b>		
-In Current account	169.61	12.36
-In Deposit Account (Pledged with Banks)	423.32	411.43
<b>Sub Total (B)</b>	592.94	423.79
<b>Total [ A + B ]</b>	<b>622.34</b>	<b>452.23</b>

The Current Account Balance included Rs.0.32 Lakh (as on 31.03.2021 Rs.Nil) towards unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the state purpose are done through such account.

**Note : 2.08 Other Financial Assets and Loans & Advances**

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, Considered Good)		
- Loan to Related Parties	14.16	-
- Loan to Others	217.12	308.94
- Loan to Employees	42.01	34.87
Advance for Land Purchase	1,200.00	1,100.00
Other Loans & Advances (Recoverable in cashor Kind)	58.81	60.52
<b>Total</b>	<b>1,532.10</b>	<b>1,504.34</b>
Current	1,532.10	1,504.34
Non Current	-	-
<b>Total</b>	<b>1,532.10</b>	<b>1,504.34</b>

**Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013**

(Amt Rs. in Lakh)

Particulars	Amount outstanding as at 31st March,2022	Maximum balance during the year 31st March, 2022
M/s. Aarnav Industries Pvt. Ltd.	14.16	14.16
<b>Total</b>	<b>14.16</b>	<b>14.16</b>

Particulars	Amount outstanding as at 31st March,2021	Maximum balance during the year 31st March, 2021
M/s. Aarnav Industries Pvt. Ltd.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(Amt Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Deposits	11.72	12.47
Subsidy Receivable (5% Interest Subsidy)	267.61	355.60
Subsidy Receivable (10% Capital Subsidy)	282.45	282.45
Duty Draw Back Receivable	1.63	3.66
Excise Duty (Cenvat Credit)(Cap.Goods) R'ble	3.93	3.93
GST Refund Receivable (On Export Sale with Duty)	9.94	94.66
GST (Input Tax Credit) Receivable	744.45	561.14
GST Refund Receivable (on Job Work Sales/IDS)	94.67	196.08
Advance to Creditor (Others)	46.06	46.13
Prepaid Insurance Expenses	7.61	10.47
Preliminary/Preoperative Expenses	6.79	6.79
Balance with Revenue Authority (GST)	2.66	0.18
Balance with Statutory Authority	15.31	70.76
Advance to Creditor for Expense	0.49	0.15
<b>Total</b>	<b>1,495.31</b>	<b>1,644.47</b>

**Note : 2.10 Share Capital**

(Amt Rs. in Lakh)

	Particulars	As on 31st March, 2022		As on 31st March, 2021	
		No. of Shares	Amt Rs. in Lakh	No. of Shares	Amt Rs. in Lakh
a	<b>AUTHORIZED CAPITAL</b>				
	Equity Shares of Rs 10 each	6,94,75,000	6,947.50	6,94,75,000	6,947.50
	(Please See Notes 2.45 on Amalgamation)	6,94,75,000	6,947.50	6,94,75,000	6,947.50

<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs 10 each	4,22,38,628	4,223.86	4,22,38,628	4,223.86
(Please See Notes 2.45 on Amalgamation)	4,22,38,628	4,223.86	4,22,38,628	4,223.86
	-	-	-	-
<b>Total</b>	<b>4,22,38,628</b>	<b>4,223.86</b>	<b>4,22,38,628</b>	<b>4,223.86</b>

**b RECONCILIATION OF NUMBER OF SHARES OUTSTANDING** (See Notes on Merger)

Particulars	As on 31st March, 2022		As on 31st March, 2021	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Shares outstanding at the beginning of the Year	4,22,38,628	4,223.86	4,22,38,628	4,223.86
Shares Issued during the Year	-	-	-	-
Shares bought back during the Year	-	-	-	-
<b>Shares outstanding at the end of the Year</b>	<b>4,22,38,628</b>	<b>4,223.86</b>	<b>4,22,38,628</b>	<b>4,223.86</b>

**c Rights, preference and restriction attached to Equity Shares**

The company has only one class of equity shares having a face value of Rs 10/- per share. Each member is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity members are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholding.

**d** There were no shares reserved at the year-end for issue under options and contracts / commitments for the sale of shares / disinvestment.

**e Shareholders holding more than 5% of the Shares**

Name of Promoter	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Champalal Gopiram Agarwal	94,22,763	22.31	94,22,763	22.31
Sumit Champalal Agarwal	1,15,53,149	27.35	1,15,53,149	27.35
Piyushkumar Balar	-	0.00	11,67,216	2.76
Abhishekkumar Balar	-	0.00	11,65,805	2.76
Nirmaladevi S. Jain	1,27,500	0.30	8,00,000	1.89
Sudeepkumar Sampatmal HUF	-	0.00	7,94,666	1.88
Satyabhama C. Agarwal	50,23,588	11.89	50,23,588	11.89
Pooja S. Agarwal	22,21,899	5.26	22,21,899	5.26

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding legal ownerships of shares. Number of equity shares held and the Percentage of it shown in the above table is taken on the basis of the post merger shareholding pattern.

**f** Aggregate number of Bonus Shares issued, shares issued for consideration other than Cash and Shares Bought back during the Period of five Years immediately preceding the reporting date. - Nil

g Unpaid Call Money - Nil

### Equity Shares held by the Promoters at the

h year end

Name of Promoter	As at 31.03.2022			As at 31.03.2021	
	No. of Shares	% Holding	%Change during the year	No. of Shares	% Holding
Champalal Gopiram Agarwal	94,22,763	22.31	0.00	94,22,763	22.31
Sumit Champalal Agarwal	1,15,53,149	27.35	0.00	1,15,53,149	27.35
	<b>20975912</b>	<b>49.66</b>		<b>20975912</b>	<b>49.66</b>

Number of equity shares held and the Percentage of it shown in the table above is taken on the basis of the post merger shareholding pattern.

### Note : 2.11 Other Equity

(Amt Rs. In Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Securities Premium</b>		
- Balance as per last financial statement	11,562.96	312.75
Addition during the year (See Note on Merger)	0.00	11,250.21
<b>- Closing Securities Premium (A)</b>	<b>11,562.96</b>	<b>11,562.96</b>

Securities Premium is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013

<b>Retained Earnings</b>		
Balance brought forward from previous year	725.38	267.91
Add: Profit for the year	931.58	532.49
Less: I.Tax paid on VSV Scheme (AY13-14)	-89.62	0.00
Less: Final Dividend Paid	-75.03	-75.03
Less: Tax on Final Dividend	0.00	0.00
<b>- Closing Retained Earnings (B)</b>	<b>1,492.32</b>	<b>725.38</b>
<b>Other Comprehensive Income</b>		
Balance brought forward from previous year	0.96	0.00
Add: Appreciation in Current Investment	15.14	0.96
Less: Diminution in Current Investment	0.00	0.00
<b>- Closing Investment Reserve (C)</b>	<b>16.09</b>	<b>0.96</b>
<b>Total Other Equity (A+B+C)</b>	<b>13,071.37</b>	<b>12,289.30</b>

### Cash dividends on equity shares declared and paid:

Final dividend for the year ended on 31 March 2021: Rs. 0.50 per share has been paid during the year. Interim dividend for the year ended on 31 March, 2022: Rs. 0.50 per share has been proposed vide BoD meeting Dated 5th May, 2022. No Final dividend for the year ended on 31 March 2022 has been proposed.

**Note : 2.12 Borrowings (Non-Current)**
**(Amt Rs. In Lakh)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Loan from Punjab National Bank</b>		
Term Loan-VII	61.43	171.31
Term Loan - VIII	691.89	1,080.57
Demand Loan (GECL)	1,027.17	1,125.70
Demand Loan (GECL2.0)	566.86	-
<b>Secured Loan from State Bank of India</b>		
Term Loan	595.83	962.98
Demand Loan (GECL)	723.80	749.99
Demand Loan (GECL2.0)	379.83	-
<b>Secured Loan from SVC Co-op. Bank Ltd.</b>		
Term Loan	911.25	1,060.89
Demand Loan (GECL)	521.50	-
<b>Vehicle Loans fro Other Bank</b>	-	3.11
	5,479.55	5,154.55
Less: Current Maturity of Secured Loan	889.80	705.00
	4,589.75	4,449.55
Unsecured Loan from Others (Director/ Relatives/ ICDs)	1,855.88	1,958.58
<b>Total</b>	<b>6,445.62</b>	<b>6,408.13</b>

(a) Term Loans from Punjab National Bank, SBI, SVC Bank carries effective rate of interest in the range of 7.85% p.a. to 12.05% p.a. (P.Y. 10.70% p.a. to 12.05% p.a.). The Loan is primarily secured by Extension of Equitable Mortgage charge over Existing Plan & Machineries and proposed assets to be obtained. Further Collateral Security as charge over entire factory land & building situated at Survey No. 302-305, Isanpur, Ahmedabad and also Hypothecation charge over existing & proposed plant & machinery. Further, the loan has also been guaranteed by pesonal guarantee of Directors Shri Champalal Agarwal and Shri Sumit Agarwal. The Credit Limit is also secured against personal Residential plot of the Director Shri Champalal Agarwal.

(b) G.E.C.L. Loans from Punjab National Bank, SBI, SVC Bank carries effective rate of interest in the range of 7.95% p.a. to 8.35% p.a. (P.Y. 7.95% p.a. to 8.35% p.a.). The Loan is primarily secured by Extension of Equitable Mortgage charge over Existing Plan & Machineries and proposed assets to be obtained. Further Collateral Security as charge over entire factory land & building situated at Survey No. 302-305, Isanpur, Ahmedabad and also Hypothecation charge over existing & proposed plant & machinery. Further, the loan has also been guaranteed by pesonal guarantee of Directors Shri Champalal Agarwal and Shri Sumit Agarwal. The Credit Limit is also secured against personal Residential plot of the Director Shri Champalal Agarwal.

(c) Term Loan for Vehicles is primarily secured through the Hypothecation of Vehicles.

(d) The Instalments falling due in respect of all the abvoe term loans upto 31.03.2023 have been grouped under "Current Borrowings" - Refer Note No 2.15

**Note : 2.13 Deferred Tax Liabilities**
**(Amt Rs. In Lakh)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities	491.79	491.02

Deferred Tax Liabilities (Taken on Amalgamation)	2,122.83	2,122.83
<b>Total</b>	<b>2,614.62</b>	<b>2,613.85</b>

**INCOME TAX**

(Amt Rs. in Lakh)

(a) The major component of income tax expenses for the years ended 31st March 2022 and 31st March 2021 are:

Particular	As at 31st March, 2022	As at 31st March, 2021
Statement of Profit and Loss		
<b>Current Tax</b>		
Current Income Tax	315.00	214.68
<b>Deferred Tax</b>		
Deferred tax	0.77	(16.03)
Tax in respect of earlier years	14.89	49.26
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>330.67</b>	<b>247.92</b>
<b>Other comprehensive Income (OCI)</b>		
Deferred Tax related to items recognised in OCI during the Year	4.60	0.29
<b>Tax Credited to OCI</b>	<b>4.60</b>	<b>0.29</b>

(b) Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate for the year ended 31st March 2022 and 31st March 2021

Particular	As at 31st March, 2022	As at 31st March, 2021
Accounting Profit before tax	1,262.25	780.41
Less: Exempted Income		
1) Profit on sale of Investments	3,178.00	66.19
Net Taxable profit before tax	- 1,915.75	714.22
Enacted income tax rate in India applicable to the Company (22+12+4)	25.6256	25.1680
Tax using the Company's domestic tax rate	- 491.00	180.00
Tax Effects of:		
Income Tax Allowances	806.00	34.68
Excess Provision for Income tax of earlier years	14.89	49.26
Other	0.77	- 16.03
<b>Tax Expense at the effective income tax rate of 31st March, 2022: 25.6256% (31st March, 2021: 25.6256%)</b>	<b>330.67</b>	<b>247.92</b>

(c) **Deferred Tax**

(Amt Rs. in Lakh)

Particulars	Statement of Profit and Loss	
	As at 31st March, 2022	As at 31st March, 2021
Other Adjustments	0.77	(16.03)

<b>Total</b>	<b>0.77</b>	<b>(16.03)</b>
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Particulars	Balance Sheet	
	As at 31st March, 2022	As at 31st March, 2021
Defferd Tax Liabilities	2,614.62	2,613.85
<b>Total</b>	<b>2,614.62</b>	<b>2,613.85</b>

**Note : 2.14 Trades Payable**

(Amt Rs. in Lakh)

Particulars	As on 31st March, 2022	As on 31st March, 2021
Sundry Creditors for Goods		
- For Micro and Small Enterprises	-	-
- Other than Micro and Small Enterprises	8,632.82	8,793.91
<b>Total</b>	<b>8,632.82</b>	<b>8,793.91</b>

(See Separate Note No. 2.53 for Trade Payables' Ageing Schedule)

As per information given to us there were no amount overdue and remaining outstanding to small scale and /or ancillary Industrial suppliers on account of principal and /or interest as at the close of the year. Based on the information available with company, there are no dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2022.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors. The disclosure in respect of the MSMED Act, 2006 has been provided at note 2.32.

**Note : 2.15 Borrowings (Current)**

(Amt Rs. in Lakh)

Particulars	As on 31st March, 2022	As on 31st March, 2021
<b>Secured</b>		
A. From Punjab National Bank		
Cash Credit Limit	4,478.39	3,379.08
Demand Loan (Covid-19)	54.33	398.17
B. From State Bank of India		
Cash Credit Limit	2,393.06	2,142.92
Demand Loan (Covid-19)	29.62	216.50
C. From SVC Co-operative Bank Ltd		
Cash Credit Limit	975.75	1,016.88
Demand Loan (Covid-19)	-	40.08
D. Current Maturity of Term Loans	889.80	705.00
<b>Unsecured</b>		
Loan from Others (Director/Relatives/ICDs)	17.50	1.00
<b>Total</b>	<b>8,838.44</b>	<b>7,899.64</b>

(a) Cash Credit Limits from Punjab National Bank, SBI, SVC Bank carries effective rate of interest in the range of 7.85% p.a. to 10.55% p.a. (P.Y. 9.70% p.a. to 10.70% p.a.). The Loan is primarily secured by Extension of Hypothecation charge over Stock, Book Debts & Pledge of FDR as margin. Further, the loan is also secured by Collateral Security as Mortgage over entire factory land & building situated at Survey No. 302-305, Isanpur, Ahmedabad and also Hypothecation charge over existing & proposed plant & machinery. Further, the loan has also been guaranteed by pesonal guarantee of



Directors Shri Champalal Agarwal and Shri Sumit Agarwal. The Credit Limit is also secured against personal Residential plot of the Director Shri Champalal Agarwal.

(a) Covid Demand Loan from Punjab National Bank, SBI, SVC Bank carries effective rate of interest in the range of 6.95% p.a. to 10.55% p.a. (P.Y. 7.00% p.a. to 10.55% p.a.). The Loan is primarily secured by Extension of Hypothecation charge over Stock, Book Debts & Pledge of FDR as margin. Further, the loan is also secured by Collateral Security as Mortgage over entire factory land & building situated at Survey No. 302-305, Isanpur, Ahmedabad and also Hypothecation charge over existing & proposed plant & machinery. Further, the loan has also been guaranteed by personal guarantee of Directors Shri Champalal Agarwal and Shri Sumit Agarwal. The Credit Limit is also secured against personal Residential plot of the Director Shri Champalal Agarwal.

**Note : 2.16 Other Current Liabilities**

(Amt Rs. in Lakh)

Particulars	As on 31st March, 2022	As on 31st March, 2021
Statutory Dues	44.72	46.88
Advances from Customers	5.75	6.89
Payables for Purchase of Fixed Assets	-	50.21
Payable for Colour-Chemicals	1,806.69	901.64
Payable for Store, Pack.Mat., Expenses, etc	2,803.58	3,041.69
Unclaimed Dividend	0.32	-
<b>Total</b>	<b>4,661.07</b>	<b>4,047.30</b>

**Note : 2.17 Current Tax Liabilities (Net)**

(Amt Rs. in Lakh)

Particulars	As on 31st March, 2022	As on 31st March, 2021
Provision for Current Taxes	315.00	214.68
Less: Advances Tax/TDS/ TCS	(190.74)	(114.98)
<b>Total</b>	<b>124.26</b>	<b>99.70</b>

<b>Note : 2.18 Revenue from Operations</b>		<b>(Amt Rs. in Lakh)</b>	
Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021	
<b>Disaggregated Revenue Information</b>			
Set out below is the disaggregation of the Company's revenue from contracts with customers:			
<b>Type of Goods or service</b>			
Sale of Goods	36,986.86	22,147.34	
Sale of Service- Job Work	4,846.20	2,515.03	
Financial Services	21.00	152.52	
<b>Revenue from contracts with customers</b>	<b>41,854.06</b>	<b>24,814.88</b>	
<b>Other Operating Revenue</b>			
Duty Draw Back Received	11.35	9.26	
Income from sale of Import License	37.93	-	

Exchange Rate Fluctuation	5.59	-
Rebate, Discount & Claim	48.32	27.46
Income from Colour-Chemical Sale	45.57	21.57
Sundry Balance W/off	54.01	10.19
<b>Total Revenue from Operations</b>	<b>42,056.83</b>	<b>24,883.37</b>
<b>Sales of Goods</b>		
In India	36,225.39	21,570.29
Outside India	761.48	577.05
	<b>36,986.86</b>	<b>22,147.34</b>
<b>Sales of Service - Job Work</b>		
In India	4,846.20	2,515.03
Outside India	-	-
	<b>4,846.20</b>	<b>2,515.03</b>
<b>Financial Services</b>		
In India	21.00	152.52
Outside India	-	-
	<b>21.00</b>	<b>152.52</b>
<b>Total Revenue from contracts with Customers</b>	<b>41,854.06</b>	<b>24,814.88</b>
<b>Timing of Revenue Recognition</b>		
Goods and services transferred at a point in time	41,854.06	24,814.88
<b>Total Revenue from contracts with Customers</b>	<b>41,854.06</b>	<b>24,814.88</b>
Goods and Service Tax ("GST") has been implemented from July 1, 2017 which replaces excise duty and other input taxes. As per Ind AS 115, the revenue for the year ended March 31, 2022 and the revenue for the year ended March 31, 2021 both are reported net of GST.		
<b>Outstanding Balances:</b>		
<b>Particulars</b>	<b>As on 31st March, 2022</b>	<b>As on 31st March, 2021</b>
<b>Contract Balances</b>		
Trade Receivables	17,259.75	18,481.12
Provision to be recognised for any expected credit losses on trade receivables for the position as on 31st, March 2022 Rs.69.67 Lakh (31st, March 2021 - Rs.20.03 Lakh)		
<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price (net of taxes)	41,854.06	24,814.88
Adjustments:		
Provision for sales return, late deliveries, etc	-	-
<b>Revenue from contract with customers</b>	<b>41,854.06</b>	<b>24,814.88</b>
<b>Performance Obligation</b>		
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March 2022 is Rs Nil (31st March 2021 is Rs Nil)		

**Note : 2.19 Other Income**

(Amt Rs. in Lakh)

Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021
Profit on sale of Investment	-	66.19
Profit on sale of Assets	0.03	-
Interest Income (Bank FDR) (Net)	9.44	-

<b>Total</b>	<b>9.47</b>	<b>66.19</b>

**Note : 2.20 Cost of Materials Consumed**

**(Amt Rs. in Lakh)**

Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021
<b>(A) CLOTH</b>		
Inventory at the beginning of the year	3,056.74	1,954.76
Add: Cloth Purchase	27,367.21	14,860.59
Add: Freight	284.45	180.24
Add: Brokerage on Grey Cloth Purchase	5.18	7.39
	<b>30,713.58</b>	<b>17,002.99</b>
Less: Inventory at the end of the year	3,562.76	3,056.74
<b>Cost of raw material and components consumed (A)</b>	<b>27,150.82</b>	<b>13,946.25</b>
<b>(B) COLOUR &amp; CHEMICALS</b>		
Inventory at the beginning of the year	415.39	497.84
Add.: Purchase	2,950.74	1,209.64
	<b>3,366.13</b>	<b>1,707.48</b>
Less: Inventory at the end of the year	1,130.43	415.39
<b>Cost of raw material and components consumed (B)</b>	<b>2,235.70</b>	<b>1,292.09</b>
<b>TOTAL COST OF RAW MATERIALS/COMPONENTS CONSUMED (A+B)</b>	<b>29,386.52</b>	<b>15,238.34</b>
<b>Details of Raw Materials Consumed</b>		
Cloths	27,150.82	13,946.25
Colour & Chemicals	2,235.70	1,292.09
	<b>29,386.52</b>	<b>15,238.34</b>

**Note : 2.21 Changes in inventories of Stock-in-Trade**

**(Amt Rs. in Lakh)**

Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021
<b>Closing Stock</b>		
Finished/Traded Goods	2,974.12	1,806.52
Stock-in-process (SELF)	4,409.48	2,944.95
Stock-in-process (JOB)	185.27	131.94
Trading Stock	21.27	0.00
	<b>7,590.14</b>	<b>4,883.41</b>
<b>Opening Stock</b>		
Finished/Traded Goods	1,806.52	1,928.92
Stock-in-process (SELF)	2,944.95	4,119.38
Stock-in-process (JOB)	131.94	146.62
Trading Stock	0.00	0.00
	<b>4,883.41</b>	<b>6,194.92</b>

(Increase)/Decrease in Inventory	-2,706.73	1,311.51
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**Note : 2.22 Employment Benefit Expenses**
**(Amt Rs. in Lakh)**

Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021
Salary & Wages	527.77	275.92
Leave Salary	2.26	1.23
Bonus Expenses	3.88	18.62
Contribution to P.F.	16.87	8.36
Contribution to E.S.I.	5.04	2.18
Staff & Labour Welfare Exp.	0.18	0.73
Director Remuneration	72.00	61.00
<b>Total</b>	<b>628.00</b>	<b>368.03</b>

**Note : 2.23 Finance Costs**
**(Amt Rs. in Lakh)**

Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021
Bank Interest	1,119.04	397.68
Bank Charges & Commission Exp.	39.24	28.93
L. C. & Bill Discounting Charges	34.25	21.85
Other Interest Expenses	-	164.05
<b>Total</b>	<b>1,192.53</b>	<b>612.51</b>

**Note : 2.24 Other Expenses**
**(Amt Rs. in Lakh)**

Particulars	For the year Ended on 31st March, 2022	For the year Ended on 31st March, 2021
<b>Manufacturing &amp; Direct Expenses</b>		
Stores & Spares Consumed	352.85	240.04
Design, Engraving & Process Charges Paid Exp	1,212.53	860.89
Clearing & Forwarding Charges & Cust. Duty Exp	1.39	2.23
Power & Fuel & Electric Expenses	4,234.20	1,429.20
Repair & Maintenance Expenses	220.09	127.76
Factory & Other Mfg. Expenses	56.32	35.02
Pollution Control Expenses	115.80	58.27
<b>Total (A)</b>	<b>6,193.18</b>	<b>2,753.42</b>
<b>Administrative Expenses</b>		
Auditor's Remuneration		
- Audit Fees	5.00	3.60
- Tax Audit	1.00	0.50
- In other Capacity	0.48	0.18
Insurance Expenses	70.40	63.20
Legal Expenses	32.79	40.60
Filing Fees Expenses	0.13	0.49
Consultancy Charges	39.58	15.82
Telephone Expenses, Postage & Courier Exp	9.73	4.00

Printing & Stationery Expenses	14.57	6.62
Rent Expenses	13.93	3.44
Municipal Tax Expenses	10.42	-
Office & Other Misc. Exp	10.62	6.70
Donation & Charity Exp	6.94	6.49
Conveyance Expenses	2.26	1.42
Vehicle Expenses	8.33	5.25
Exchange Rate Fluctuation Exp	-	6.75
Provision for Doubtful Debts	49.64	20.03
GST Expenses	8.87	0.10
GST Interest Expenses	26.82	-
Sundry Balance W/.off	-	2.89
Listing Fees	3.00	3.00
Interest on TDS	0.01	-
Directors' Sitting Fees Exp.	0.20	-
<b>Total (b)</b>	<b>314.71</b>	<b>191.09</b>
<b>Selling &amp; Distribution Expenses</b>		
Packing Expenses	327.06	210.34
Loading/Unloading, Cartage, C&F (o/w) Exp	86.85	65.80
Sales Promotion & Gift Article Exp	19.99	7.38
Travelling Expenses	49.94	11.48
Commission & Brokerage on Sale	143.37	97.32
Advertisement expenses	3.15	1.60
<b>Total (c)</b>	<b>630.37</b>	<b>393.93</b>
<b>Total (A+B+C)</b>	<b>7,138.26</b>	<b>3,338.43</b>

**Note : 2.25 Statement of Other Comprehensive Income**

(Amt Rs. in Lakh)

Particulars	For the Year Ended on 31st March, 2022	For the Year Ended on 31st March, 2021
(i) Items that will not be reclassified to Profit or Loss		
1. Equity Instruments through O.C.I.	19.73	1.25
(ii) Income Tax relating to this item that will not be reclassified to Profit or Loss		
1. Deferred Tax Impact on Equity instruments through O.C.I.	4.60	0.29
<b>Total</b>	<b>15.14</b>	<b>0.96</b>

**Note : 2.26 Other Disclosures**

**Related Party Disclosures:**

a Name of the Related Parties and Description of Relationship	Nature of Relationship
<b>Particulars of Associates (For the F.Y.2021-2022)</b>	
Aarnav Industries Private Limited	Associate
Alpine Spinweave Pvt. Ltd.	Associate
	<b>Designation</b>

**Director/KMP (For the F.Y.2021-2022)**

- Sumit Agarwal
- Champalal Agarwal
- Nidhi Aggarwal
- Radhakishan Sharma

Managing Director  
 Director & Chairman  
 Company Secretary & Compliance Officer  
 Chief Financial Officer

**Name of the Related Parties and Description of Relationship**
**Nature of Relationship**
**Particulars of Associates (For the F.Y.2020-2021)**

Symbolic Finance & Investment Private Limited	Associate
Aarnav Industries Private Limited	Associate
Alpine Spinweave Pvt. Ltd.	Associate
Gopi Synthetics Private Limited	Associate

**Director/KMP (For the F.Y.2020-2021)**
**Designation**

- Sumit Agarwal	Managing Director
- Champalal Agarwal	Director & Chairman
- Nidhi Aggarwal	Company Secretary & Compliance Officer
- Radhakishan Sharma	Chief Financial Officer

**b Related Party Transactions:**
**(Amt Rs. in Lakh)**

Particulars	F.Y. 2021-2022	F.Y. 2020-2021
<b>Outstanding Receivable as at year end</b>		
Aarnav Industries Private Limited	14.16	-
Alpine Spinweave Private Limited	(109.08)	(354.46)
<b>Loan Given</b>		
Gopi Synthetics Private Limited	-	155.00
Aarnav Industries Private Limited	14.16	-
<b>Loan Given repaid</b>		
Gopi Synthetics Private Limited	-	10.00
<b>Sale of Shares/Investments</b>		
Champalal Agarwal	-	57.11
<b>Remuneration Paid</b>		
Champalal Agarwal	36.00	30.50
Sumit Agarwal	36.00	30.50
Nidhi Aggarwal	4.75	3.48
<b>Rent Paid</b>		
Champalal Agarwal	1.20	0.30
Sumit Agarwal	1.20	0.30
<b>Purchase of Goods</b>		
Aarnav Industries Pvt. Ltd.	584.95	-
Alpine Spinweave Pvt. Ltd.	-	350.14
<b>Sale of Goods</b>		
Aarnav Industries Pvt. Ltd.	-	265.08
<b>Interest Earned/Received</b>		
Gopi Synthetics Private Limited	-	100.62

## Terms and conditions of transactions with related parties

Outstanding balances as at year end are unsecured and settlement not occurs other than cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2022 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2021: Rs. Nil). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

### Note : 2.27 Earning Per Share

(Amt Rs. in Lakh)

Particulars	F.Y. 2021-2022	F.Y. 2020-2021
Net Profit as per Profit & Loss	946.72	533.45
Amount available for Equity Shareholders	946.72	533.45
Weighted average number of Equity shares	4,22,38,628	2,86,21,814
Face Value per Share (in Rs.)	10.00	10.00
<b>Basic &amp; Diluted Earnings per share (in Rs.)</b>	<b>2.24</b>	<b>1.86</b>

**2.28 Employee Benefits - No Benefit other than Salary and Bonus are payable by the company to its employees.**

**2.29 COMMITMENTS AND CONTINGENCIES :-**

Contingent Liabilities - Not Provided for

(1) Disputed Income Tax Demand for AY 2017-18- Rs.238.65 Lakh (Against which Rs.48.00 Lakh has been deposited under protest)

**2.30 SEGMENT REPORTING**

#### Operating Segments:

The Company is engaged in the business of trading of Textiles and financial Services. In accordance with the requirements of Ind AS 108 "Operating Segments" Company has identified these two segments as reportable segments.

#### Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

#### Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

#### Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of trade receivables, inventory and other operating assets. Segment liabilities primarily includes trade payable

and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

(Amt Rs. in Lakh)

Particular	For the Year ended	
	31st March 2022	31st March 2021
<b>Segment Revenue</b>		
a) Financial Services	21.00	218.71
b) Textiles	42,045.30	24,730.85
<b>Total</b>	<b>42,066.30</b>	<b>24,949.56</b>
<b>Net Sales/Income from Operation</b>	<b>42,066.30</b>	<b>24,949.56</b>
<b>Segment Results</b>		
a) Financial Services	21.00	218.71
b) Textiles	1,333.15	638.57
<b>Total</b>	<b>1,354.15</b>	<b>857.28</b>
Less: i) Interest	-	-
ii) Other unallocable Expenses	91.90	76.87
<b>Total Profit Before Tax</b>	<b>1,262.25</b>	<b>780.41</b>
<b>Segment Assets</b>		
a) Financial Services	1,407.40	1,484.10
b) Textiles	47,175.26	44,863.14
c) Unallocated	29.40	28.44
<b>Total Segment Assets</b>	<b>48,612.07</b>	<b>46,375.68</b>
<b>Segment Liabilities</b>		
a) Financial Services	-	-
b) Textiles	31,192.58	29,762.82
c) Unallocated	124.26	99.70
<b>Total Segment Liabilities</b>	<b>31,316.84</b>	<b>29,862.52</b>

### 2.31 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

Category-wise Classification of Financial Instruments

(Amt Rs. in Lakh)

Particular	Refer Note	As At 31st March 2022		
		Fair Value Through O.C.I.	Amortised Cost	Carrying Cost
<b>Financial assets</b>				
Investments in unquoted equity shares	2.03	-	0.03	0.03
Trade Receivables	2.06	-	17,190.08	17,190.08
Cash and cash equivalents	2.07	-	622.34	622.34
Investments in unquoted equity shares	2.05	1,170.24	-	1,170.24
Investment in Quoted Mutual Fund	2.05	3.92	-	3.92
Loans & Other current Assets	2.08	-	3,027.41	3,027.41
<b>Total</b>		<b>1,174.16</b>	<b>20,839.86</b>	<b>22,014.02</b>
<b>Financial liabilities</b>				
Trade Payables	2.14	-	8,632.82	8,632.82
Short Term Borrowings	2.15	-	8,838.44	8,838.44
Long Term Borrowings	2.12	-	6,445.62	6,445.62



<b>Total</b>		-	<b>23,916.89</b>	<b>23,916.89</b>
<b>As At 31st March 2021</b>				
<b>Particular</b>	<b>Refer Note</b>	<b>Fair Value Through O.C.I.</b>	<b>Amortised Cost</b>	<b>Carrying Cost</b>
<b>Financial assets</b>				
Investments in unquoted equity shares	2.03	-	0.04	0.04
Trade Receivables	2.06	-	18,461.09	18,461.09
Cash and cash equivalents	2.07	-	452.23	452.23
Investments in unquoted equity shares	2.05	1,170.24		1,170.24
Investment in Quoted Mutual Fund	2.05	3.92		3.92
Loans & Other current Assets	2.08	-	3,148.81	3,148.81
<b>Total</b>		<b>1,174.16</b>	<b>22,062.16</b>	<b>23,236.33</b>
<b>Financial liabilities</b>				
Trade Payables	2.14	-	8,793.91	8,793.91
Short Term Borrowings	2.15	-	7,899.64	7,899.64
Long Term Borrowings	2.12	-	6,408.13	6,408.13
<b>Total</b>		-	<b>23,101.67</b>	<b>23,101.67</b>

#### Category-wise Classification of Financial Instruments:

#### Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities

Particular	(Amt Rs. in Lakh)	
	As at 31-03-2022 Significant observable input (Level 3)	As at 31-03-2021 Significant observable input (Level 3)
<b>Financial Assets</b>		
Investments in unquoted equity shares (refer note -2.03)	-	-
Investments in unquoted equity shares (refer note -2.05)	1,170.24	1,170.24
Investments in quoted Mutual Fund (refer note -2.05)	3.92	3.92

#### Financial Instruments measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

**2.32** Figures have been presented in "Lakh" of Rupees with two decimals.

**2.33** Balance of Sundry Debtors, Creditors, Loans and advances, unsecured loans are subject to confirmation.

<b>2.34 C.I.F. value of Imports (Rs. in Lakh)</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
- Raw Materials - Cloth	-	-
- Raw Materials - Colour-Chemicals	50.64	91.26
- Stores & Spares	50.18	48.06
- Capital Goods	-	712.19

<b>2.35</b>	Expenditure in Foreign Currency :-		
	- Foreign Travelling Exp.	14.77	3.09
	- Machinery Repairs Exp	35.32	41.03
	Earnings in Foreign Currency :-		
	- FOB VALUE OF EXPORTS	756.61	1,331.76

**2.36** Break up of expenditure incurred on employees who were in receipt of remuneration aggregating Rs.1,02,00,000/- or more for year or Rs.8,50,000/- or more per month, where employed for a part of the year Rs.Nil (Previous Year Rs.Nil).

<b>2.37</b>	<b>The Profit and Loss Account includes:</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
		<b>(Amt Rs. in Lakh)</b>	<b>(Amt Rs. in Lakh)</b>
	Auditors Remuneration includes: (Excl.GST/Ser.Tax)		
	- For Audit Fees	5.00	3.60
	- For Tax Audit	1.00	0.50
	- For Certification & Other Compliance Fees	0.48	0.18

### 2.38 Dues to Micro & Small Enterprise

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are as below:

Particulars	As at 31-03-2022	As at 31-03-2021
a) The Principal amount remaining unpaid to MSME supplier as at the year end	Nil	Nil
b) Interest due thereon	Nil	Nil
c) Amount of Interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
e) Amount of Interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23	Nil	Nil

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

### 2.33 Notes on COVID-19

As a result of lockdown policies, restriction on business activities and business shutdowns, the volumes of the current financial year as well as that of preceding financial year is impacted to some extent. Revenue from operation for FY 2021-22 & FY 2020-21 both, in absolute terms, have decreased due to COVID-19 related market volatility. Therefore, financial results for the year ended 31st March, 2022 are not comparable to previous corresponding period results. Further, the management believes that the impact of this outbreak on the business and financial position of the Company will not be significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

### 2.39 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, trade receivable and cash and cash equivalent that derive directly from its operations.

The Company's risk management is carried out by the corporate finance. The corporate finance identifies and evaluates financial risks in close co-operation with the Company's Business Heads.

#### (a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

##### (i) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The company adopts a policy to ensure that maximum interest rate exposure is at a fixed rate. This is achieved by entering into fixed-rate (MCLR based) instruments..

##### (ii) Foreign currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of payables and receivables in foreign currency. The company has formulated policy to meet the currency risk.

Company does not use derivative financial instruments for trading or speculative purposes.

##### (iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity shares recognised at FVTOCI. As at 31st March 2022, the carrying value of such instruments recognised at FVTOCI amounts to Rs.11,74,19,047.00. (31st March 2021 Rs.11,74,20,047.00).

The management expects that the exposure to risk of changes in market rates of these investment in equity shares is minimal.

## (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

### Concentrations of Credit risk form part of Credit risk

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 120 days. Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

### Reconciliation of loss allowance provision – Trade receivables (Amt Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Loss allowance as at beginning of the year	20.03	0.00
Changes in Loss allowance	49.64	20.03
Loss allowances as at end of the year	69.67	20.03

## (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has current financial assets which the management believes is sufficient to meet all its liabilities maturing during the next 12 months. Company generally has enough liquid assets in the form of Cash, Bank Deposits & Loan/Advances to pay outstanding liabilities.

## 2.4 Capital Management

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves attributable to equity shareholders of the company. The primary objective of the company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

### The capital structure of the company is as follows: (Amt Rs. in Lakh)

Particulars	As at 31-03-2022	As at 31-03-2021
Total Liabilities	28702.22	27248.67
Less Cash and Cash Equivalents	622.34	452.23
<b>Net Debt (a)</b>	<b>28079.88</b>	<b>26796.44</b>

Equity	4223.86	4223.86
Other equity	13071.37	12289.30
<b>Total Equity (b)</b>	<b>17295.23</b>	<b>16513.16</b>
<b>Net Debt to Equity Ratio (a/b)</b>	<b>1.62</b>	<b>1.62</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

#### 2.41 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 14th November, 2022, the amalgamation has been approved by Hon'ble NCLT, Ahmedabad. It is a subsequent event occurred after the Balance Sheet Date and it is required to be recognized or reported in this financial statements. Please see Note 2.45 hereinafter.

#### 2.42 Other Statutory Information :

1. Details of Benami Property: The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. Details of Charges: The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
3. Details of crypto currency or virtual currency: The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
4. Undisclosed income: The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
5. Wilful Defaulter: The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
6. Compliance with number of layers of companies: The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
7. Valuation of PP&E, intangible asset and investment property: The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
8. Compliance with approved scheme(s) of arrangements: The Company has entered into the scheme of arrangement which has an accounting impact on current or previous financial year. Please see Note No. 2.45 on Amalgamation.
9. The Company has no transaction with any company struck-off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

**2.43** The company have not received any fund from any person(s) or entity(ies), including foreign entities ( Funding Party) with the understanding (whether records in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**2.44 Contribution to Political Parties during the year 2021-22 is Rs.Nil (Previous Year Rs.Nil)**

**2.45** As per the Section 135 of the Companies Act, 2013, provisions of Corporate Social Responsibility (CSR) is not applicable to the Company for the F.Y. 2021-2022. Pursuant to the Scheme of Amalgamation approved on August 10, 2022 by Hon'ble NCLT, Ahmedabad, CSR provisions will be now applicable and effective from the date of order i.e. from the F.Y.2022-2023.

**2.46** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2022.

**2.47** Company has not given any loan or guarantees during the year and in previous year hence disclosure under section 186(4) of the companies Act 2013 is not given.

**2.48** In the opinion of the Management, any of the assets other items of property, plant and equipment, intangible assets and Non-current Investments have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated, unless otherwise stated.

**2.49** On Periodical basis and as and when required, the Company reviews the carrying amounts of its assets and found that, except provision for doubtful Trade Receivables, there is no indication that any other assets have suffered any impairment loss. Hence, no such impairment loss have been provided in the F.Y. 2021-2022 & F.Y. 2020-2021, except the amounts of Provision made for Doubtful Trade Receivables of Rs.49.64 Lakh in F.Y.2021-22 (Rs.20.03 Lakh in F.Y.2020-21).

**2.50** This financial statement is approved for issue by the Audit Committee as at its meeting and by the Board of Directors on 14th Nov, 2022.

**2.51 Notes on Amalgamation in the nature of merger:**

It is stated that, in terms of Clause 13 of the Scheme of Arrangement providing amalgamation of Gopi Synthetics Private Limited ("GSPL"), Aarnav Synthetics Private Limitee ("ASPL"), Aarnav Textile Mills Private Limited ("ATMPL"), Symbolic Finance and Investment Private Limited ("SFIPL") and Ankush Motor and General Finance Company Private Limited ("AMFGCPL") with Aarnav Fashions Limited ("AFL") and their respective shareholders and creditors ("Scheme of Arrangement") has been approved in terms of the provisions of sections 230 to 232 read with sections 66 and other applicable provisions of the Companies Act, 2013, by NCLT, Ahmedabad bench on 10.08.2022. The appointed date for the amalgamation is October 1, 2020.

The order of Hon'ble NCLT, Ahmedabad bench (No.C.P. (CAA)/6(AHM)2022 in C.A.(CAA)/67(AHM)2021 has been approved on 10.08.2022 and the certified copy of the order has been received on 05.09.2022. The order was filed with the Registrar of Companies, Gujarat. Pursuant to the Scheme, the Company has once again prepared the merged results for F.Y. 2021-2022 for giving the effect of merger from date 01.10.2020. This financial statement (after giving the merger effects) is approved for issue by the Audit Committee as at its meeting and by the Board of Directors on 14th Nov, 2022.

It is further stated that the said order has also been approved and taken on records by Ministry of Corporate Affairs on 31st October, 2022, and by virtue of this order, all the assets and liabilities of Transferor Companies have been amalgamated with Transferee Company.

Pursuant to the Scheme, the Company is to allot 2,72,33,628 equity shares of face value of Rs.10.00 each, fully paid-up as per the share exchange ratio specified in the Scheme to the specified shareholders of the Transferor Companies as on November 5, 2022 ("Record Date").

Filing of Applications for the change of name with various authorities like Land Revenue Authority, Electricity Company, Gujarat Pollution Control Board (GPCB), Factory & Industrial Licencing Authority, Ahmedabad Municipal Corporation, DGFT, etc are under process and shall get changed in due course.

Further, this financial statement has been prepared by giving the effect of such amalgamation. Thus, the Assets and liabilities taken over from Transferor Companies have been depicted under this financial statement as the assets and liabilities of Transferee company. Also the equity shares have also been deemed to have been issued to the shareholders of transferor companies against the purchase consideration and the effect such issuance of New Equity shares has also been given in the paid up share capital and share premium under the head "Equity" in this financial statement.

The financials for the current financial year 2021-2022 and that of preceeding financial year 2020-2021 have been restated so as to include financials of the Transferor Companies in accordance with Indian Accounting Standard (IND-AS) 103, "Business Combinations".

**NOTE:- 2.52 TRADE RECEIVABLE AGEING SCHEDULE :-**

(Amt Rs. in Lakh)

TRADE RECEIVABLE AGEING SCHEDULE : (AS ON 31/03/2022)								
Outstanding for following periods from due date of payment								
	Particulars	Not due for Payment	less than 6 Months	6 months to 1 Year	1-2 years	2-3 years	More than 3 Years	Total
(i)	Undisputed Trade receivables considered good	11099.04	3324.00	1666.75	954.00	146.29	0.00	17190.08
(ii)	Undisputed Trade receivables considered doubtful	0	0	0	0	0	0	-
(iii)	Disputed Trade receivables considered good	0	0	0	0	0	0	-
(iv)	Disputed Trade receivables considered doubtful	0	0	0	0	0	69.67	69.67

**TRADE RECEIVABLE AGEING SCHEDULE : (AS ON 31/03/2021)**

(Amt Rs. in Lakh)

Outstanding for following periods from due date of payment								
	Particulars	Not due for Payment	less than 6 Months	6 months to 1 Year	1-2 years	2-3 years	More than 3 Years	Total
(i)	Undisputed Trade receivables considered good	11786.50	2789.74	2887.83	947.38	0.00	0.00	18411.45
(ii)	Undisputed Trade receivables considered doubtful	0	0	0	0	0	0	-
(iii)	Disputed Trade receivables considered good	0	0	0	0	0	0	-
(iv)	Disputed Trade receivables considered doubtful	0	0	0	0	49.64	20.03	69.67

**NOTE:- 2.53 TRADE PAYABLE AGEING SCHEDULE :-**

**TRADE PAYABLE AGEING SCHEDULE : (AS ON 31/03/2022) (Amt Rs. in Lakh)**

Outstanding for following periods from due date of payment							
Particulars		Not due for Payment	less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
(i)	MSME	0	0	0	0	0	-
(ii)	Others	5939.73	2346.59	346.50	0	0	8632.82
(iii)	Disputed dues MSME	0	0	0	0	0	-
(iv)	Disputed dues Others	0	0	0		0	-

**TRADE PAYABLE AGEING SCHEDULE : (AS ON 31/03/2021)**

**(Amt Rs. in Lakh)**

Outstanding for following periods from due date of payment							
Particulars		Not due for Payment	less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
(i)	MSME	0	0	0	0	0	-
(ii)	Others	4051.53	2096.76	1959.43	686.19	0.00	8793.91
(iii)	Disputed dues MSME	0	0	0	0	0	-
(iv)	Disputed dues Others	0	0	0	0	0	-

**NOTE:- 2.54 DISCLOSURE RELATING TO VARIOUS RATIOS :**

Sr. No	Ratio	Numerator	Denominator	31st March, 2022	31st March, 2021	% variance	Reason for variance
1	Current ratio	Current assets	Current liabilities	1.561	1.526	2.25%	Not a Material Variation
2	Debt-Equity ratio	Total debt	Shareholders' equity	1.660	1.650	0.57%	Not a Material Variation
3	Debt-service coverage ratio	Earning available for debt service	Debt service	1.592	1.418	12.27%	Due to Increase in EBDIT
4	Return on equity ratio	Net profit after taxes less performance dividend (if any)	Average shareholders' equity	5.386	3.225	67.04%	Due to Increase in Profit
5	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	2.924	2.271	28.74%	Due to Increase in Sales
6	Trade receivable turnover	Net credit sales	Average trade receivables	2.347	2.507	-6.37%	Not a Material Variation



	ratio						
7	Trade payables turnover ratio	Net credit purchases	Average trade payables	3.648	3.584	1.79%	Not a Material Variation
8	Net capital turnover ratio	Net sales	Average working capital	3.350	2.250	48.89%	Due to Increase in Total Sales
9	Net profit ratio	Net Profit after taxes	Net sales	2.227	2.159	3.04%	Not a Material Variation
10	Return on capital employed	Earning before interest and taxes	Capital employed	14.193	8.435	68.26%	Due to Increase in EBDIT
11	Return on investment	Income from Investments	Cost of Investment	NA	NA	0.00%	---

**2.55** Figures of previous year have been regrouped/reclassified, wherever considered necessary to make comparable to current year's figures.

**2.56** As a result of restrictions under COVID-19 SOP, the volumes of the current & preceding financial year were impacted to some extent. Revenue from operation in absolute terms have decreased due to COVID-19 related market volatility during the current as well as preceding financial year. Therefore, to some extent, the financial results for the year ended 31st March, 2022 are not comparable to previous corresponding period results.

As per our report of even date  
**FOR, NAHTA JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO. 106801W**

For and on behalf of the Board of Directors  
**AARNAV FASHIONS LIMITED**

**CHAMPALAL AGARWAL**  
**DIN: 01716421**  
**CHAIRMAN AND DIRECTOR**

**SUMIT AGARWAL**  
**DIN: 00356863**  
**MANAGING DIRECTOR**

**(CA. GAURAV NAHTA)**  
**PARTNER**  
**MEM. NO. 116735**

**NIDHI AGRAWAL**  
**DIN: 08364168**  
**NON- EXECUTIVE DIRECTOR, COMPANY SECRETARY**  
**& COMPLIANCE OFFICER**

**RADHAKISHAN SHARMA**  
**CHIEF FINANCIAL OFFICER**

**PLACE : AHMEDABAD**  
**DATE : 14-11-2022**

**AARNAV FASHIONS LIMITED**  
**CIN: L17100GJ1983PLC028990**

**Registered Office: 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002**  
**Ph: 079-29702983, e-mail: [aarnavfashions@gmail.com](mailto:aarnavfashions@gmail.com) website: [www.aarnavgroup.com](http://www.aarnavgroup.com)**

**PROXY FORM**

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made thereunder)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member (s) of.....shares of the above named company, hereby appoint

- Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or  
 failing him
- Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or  
 failing him

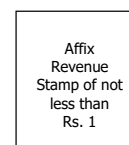
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual General Meeting and/or any adjournment thereof of Aarnav Fashions Limited held on Thursday, December 15, 2022 at 03:00 P.M. Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405, Gujarat, India. and/or any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTION
<b>ORDINARY BUSINESSES</b>	
1	Adoption of financial statements
2	Confirmation of interim dividend paid
3	To appoint a director in place of Mr. Champalal Gopiram Agarwal, whole time director (DIN: 01716421), who retires by rotation and being eligible offers himself for re-appointment
<b>Special businesses</b>	
4	To ratify remuneration of cost auditor for the f.y. 2021-2022

Signed this.....day of.....2022

\_\_\_\_\_  
**Signature of  
 shareholder**

\_\_\_\_\_  
**Signature of Proxy  
 holder(s)**



**Note:**

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting on or before September 13, 2022 at 03:00 P.M.)
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate

**ATTENDANCE SLIP**  
**AARNAV FASHIONS LIMITED**  
**CIN: L17100GJ1983PLC028990**

**Registered Office: 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002**  
**Ph: 079-29702983, e-mail: [aarnavfashions@gmail.com](mailto:aarnavfashions@gmail.com) website: [www.aarnavgroup.com](http://www.aarnavgroup.com)**

Regd. Folio No./DP Id No.*/Client Id No.* (*Applicable for investor holding shares in electronic form.)	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 39<sup>th</sup> Annual General Meeting of Aarnav Fashions Limited held on Thursday, December 15, 2022 at 03:00 P.M. Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405.

\_\_\_\_\_  
**Member's/Proxy's Name in Block Letters**

\_\_\_\_\_  
**Member's/Proxy's Signature**

**Notes:** Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.



**AARNAV FASHIONS LIMITED**  
**CIN: L17100GJ1983PLC028990**

**REGISTERED OFFICE: 1, NEW CLOTH MARKET, O/S RAIPUR GATE, RAIPUR,  
AHMEDABAD-380002**

**CORPORATE OFFICE & WORKS :- SURVEY NO. 302-305, ISANPUR,  
NAROL-VATVA ROAD, AHMEDABAD – 382405 (INDIA).**