

**GOPAL BHARGAWA & CO.  
CHARTERED ACCOUNTANTS**

Office:2,MALVIYA ENCLAVE,ADJOINING SITI CABLE OFFICE,M.M.MALVIYA ROAD, AMRITSAR

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
A.M. Textiles & Knitwears Ltd.

**REPORT ON THE Ind-AS FINANCIAL STATEMENTS****OPINION**

We have audited the accompanying Ind-AS financial statements of A.M. Textiles & Knitwears Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS 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 March 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

<b>The Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<ul style="list-style-type: none"><li>• The company is exposed to a variety of different Central and state laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims.</li><li>• In the normal course of business, provisions</li></ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"><li>▪ Inquiring the status of significant known actual and potential litigation with the Company's in-house Legal Counsel and other senior management personal who have knowledge of these matters and</li></ul>

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<p>and contingent liability disclosures for litigations and claims may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims.</p> <ul style="list-style-type: none"><li>• These estimates could change substantially over time as new facts emerge and each legal case progresses</li><li>• Given the inherent complexity and magnitude of potential exposures across the Company and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</li></ul>	<p>critically assessing their responses.</p> <ul style="list-style-type: none"><li>▪ Obtaining, on a sample basis, written responses from the Company's in-house legal counsel, containing their views and conclusions on material exposures and any related litigation and considered the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters.</li><li>▪ Reading the latest correspondence between the Company and the various tax/legal authorities or plaintiffs and attorneys where applicable, for matters selected on sample basis for detailed evaluation.</li><li>▪ For the most significant of the matters, we assessed relevant historical and recent judgments passed by the court authorities and considering legal opinion, where obtained by management from external lawyers, to challenge the basis used for the provisions recorded and the disclosures made by the Company</li><li>▪ Challenging the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures.</li><li>▪ For those matters where management concluded that no provisions should be recorded, we have reviewed the adequacy and completeness of the Company's disclosures.</li></ul>
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**INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

The Company's management and Board of Directors are responsible for the preparation of 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 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.

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





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**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (IND-AS) prescribed 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 the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**AUDITORS' RESPONSIBILITY FOR AUDIT OF FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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





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required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

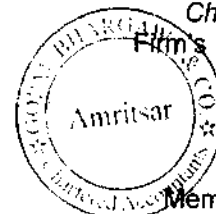
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Panchkula  
30<sup>th</sup> May, 2022

**For GOPAL BHARGAWA & Co.**  
Chartered Accountants



Firm's Regn. No. 026816N

Gopal Bhargawa  
Proprietor  
Membership No. 531619



**GOPAL BHARGAWA & CO.**  
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**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid IND-AS financial statements comply with the Accounting Standards (IND-AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. The company does not have any amounts required to be transferred to the Investor Education and Protection Fund
    - iv. The company has not advanced any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.
    - v. The company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf





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of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts

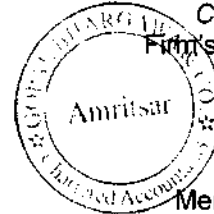
- vi. The company has not declared or paid any dividend during the year.

Panchkula  
30<sup>th</sup> May, 2022

**For GOPAL BHARGAWA & Co.**

*Chartered Accountants*

Firm's Regn. No. 026816N



*Gopal Bhargawa*  
Gopal Bhargawa

*Proprietor*

Membership No. 531619



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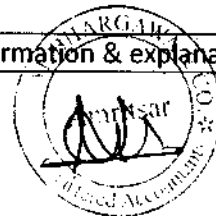
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**ANNEXURE "A"**

Referred to in paragraph 1 of our report of even date:

(i)	<p>(a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</p> <p>(B) The company has maintained proper records showing full particulars of intangible assets;</p>
	<p>(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.</p>
	<p>(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.</p>
	<p>d) The Company has not revalued its Property, Plant and Equipment (including Right of Use of 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.</p>
	<p>(e) According to the information &amp; explanations given to us and on the basis of examination of records of the company, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.</p>
(ii)	<p>(a) The stock of Finished Goods, Stores, Spare Parts and Raw Material lying in the factory (other than stock in transit) have been physically verified by the management during and at the year-end. In our opinion and according to information and explanations given to us the frequency, coverage &amp; procedure of physical verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed in the physical verification.</p>
	<p>(b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.</p>
(iii)	<p>The company has not, during the year, made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraphs 3 (iii), (iii) (a) , (iii) (b) , iii(c), iii(d), iii (e) &amp; (iii) (f) of the Order are not applicable to the Company.</p>
(iv)	<p>In our opinion and according to the information &amp; explanations given to us, the Company has</p>



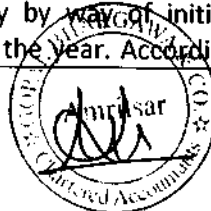


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	not granted any loan, made any investment or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
(v)	In our opinion and according to information and explanations given to us, the Company has not accepted deposits or taken amounts which are deemed to be deposits, as per directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
(vi)	In our opinion and according to information and explanations given to us, Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the products manufactured by the Company.
(vii)	(a) According to information & explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable. (b) Since there are no statutory dues referred to in sub-clause (a) which has not been deposited, sub clause vii(b) is not applicable
(viii)	According to information & explanations given to us and on the basis of our examination of the records of the company, there are no transactions that are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
(ix)	(a) According to information & explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. (b) According to information & explanations given to us and on the basis of our examination of the records of the company, the company is not a declared wilful defaulter by any bank or financial institution or other lender. (c) According to information & explanations given to us and on the basis of our examination of the records of the company, term loans were applied for the purpose for which the loans were obtained. (d) According to information & explanations given to us and on the basis of our examination of the records of the company, funds raised on short term basis have not been utilized for long term purposes. (e) According to information & explanations given to us and on the basis of our examination of the records of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. (f) According to information & explanations given to us and on the basis of our examination of the records of the company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
(x)	(a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a)



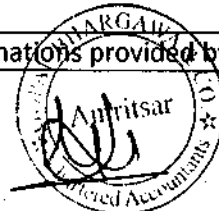


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	of the Order is not applicable to the Company.
	(b) According to information & explanations given to us and based on the examinations of our records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
(xi)	(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
	(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
	(c) According to information & explanations given to us and based on the examinations of our records of the Company, no complaints were received from any whistle-blower during the year by the Company.
(xii)	(a) In our opinion and according to information & explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 xii(a), xii(b) and xii(c) of the Order is not applicable to the Company.
(xiii)	The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
(xiv)	(a) According to information & explanations given to us and based on our examination of the records of the Company, the company has an internal audit system commensurate with the size and nature of its business. (b) We have, in our report, considered the reports of the Internal Auditors for the period under audit.
(xv)	According to information & explanations given to us and based on the examinations of our records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with them & therefore provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
(xvi)	(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
	(b) The Company has not conducted non-banking financial activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
	(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
	(d) Based on the information and explanations provided by the management of the Company,





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	the Group does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
(xvii)	The Company has not incurred cash losses in the Financial Year and in the immediately preceding Financial year.
(xviii)	There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3 (xviii) is not applicable.
(xix)	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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)	CSR Provisions are not applicable to company. Therefore Clause 3 (xx) of CARO, 2020 is not applicable to the company.
(xxi)	The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

Panchkula  
30<sup>th</sup> May, 2022

For **GOPAL BHARGAWA & Co.**

Chartered Accountants

Firm's Regn. No. 026816N



  
Gopal Bhargawa  
Proprietor

Membership No. 531619



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**Annexure – B 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 A.M. Textiles & Knitwears Ltd. ('the Company') as of 31 March, 2022 in conjunction with our audit of the IND-AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over the Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 for to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over the financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 the 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 the financial reporting and the preparation of financial statements for the external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertains 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 receipt





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**GOPAL BHARGAWA & CO.  
CHARTERED ACCOUNTANTS**

Office:2,MALVIYA ENCLAVE,ADJOINING SITI CABLE OFFICE,M.M.MALVIYA ROAD, AMRITSAR

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of 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 misstatement 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**

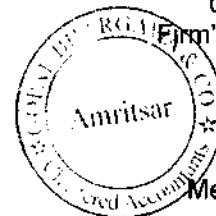
In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria 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.

Panchkula  
30<sup>th</sup> May, 2022

**For GOPAL BHARGAWA & Co.**

*Chartered Accountants*

Firm's Regn. No. 026816N



  
Gopal Bhargawa  
Proprietor

Membership No. 531619

(Amount in 100's Rupees)

Figs for the Figs. for the

Current Yr. Previous Yr.

Current Yr. Previous Yr.

## BALANCE SHEET AS AT 31ST MARCH, 2022

ASSETS	Note No.	(Amount in 100's Rupees)	
<b>1. Non-current assets</b>			
(a) Property, Plant & Equipments	1	27145.55	36783.06
(b) Capital Work- in- Progress		0.00	0.00
(c) Investment Properties		0.00	0.00
(d) Deferred tax assets (net)		2607.82	1534.95
(e) Financial Assets			
- Non Current Investments			
- (i) Security Deposits	2	5000.00	5000.00
- (ii) Bank deposits with more than 12 months maturity			
- (iii) Others ( Non Current Investments)			
(f) other Non Current Assets			
- Long-term loans and advances		0.00	0.00
- Other non-current assets		0.00	0.00
<b>Total - Non-current assets</b>		<b>34753.37</b>	<b>43318.01</b>
<b>2. Current assets</b>			
(a) Inventories	3	474830.51	642894.94
(b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables	4	1273772.66	1090552.89
(iii) Cash and cash equivalents	5	1045.80	1421.74
(c) Other current assets			
- Short-term loans and advances	6	26628.29	48752.47
- Other current assets	7	2182.18	13039.31
<b>Total- Current assets</b>		<b>1778459.44</b>	<b>1796661.35</b>
<b>Total Assets</b>		<b>1813212.81</b>	<b>1839979.36</b>
<b>A. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	8	165000.00	165000.00
(b) Other Equity	9	193106.80	124254.27
<b>Total Equity</b>		<b>358106.80</b>	<b>289254.27</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
<b>(I) Financial Liabilities</b>			
(a) Long-Term borrowings	10	395000.00	245000.00
(1a) Lease Liabilities			
(b) Other Long-Term liabilities			
(II) Non Current Provisions		0.00	0.00
(III) Deferred Tax Liabilities (Net)		0.00	0.00
(IV) Other Non Current Liabilities		0.00	0.00
<b>Total- Non-current liabilities</b>		<b>395000.00</b>	<b>245000.00</b>
<b>Current Liabilities</b>			
<b>(I) Financial Liabilities</b>			
(a) Short-Term borrowings	11	668849.03	676575.33
(1a) Lease Liabilities		0.00	0.00
(b) Trade Payables	12	364548.30	611981.56
(c) Other Financial liabilities	13	4258.68	3148.20
(d) Current maturity of Long term borrowings		0.00	0.00
(II) Provisions	14	22450.00	14020.00
<b>Total- Current liabilities</b>		<b>1060106.01</b>	<b>1305725.09</b>
<b>Total :- Equity and Liabilities.</b>		<b>1813212.81</b>	<b>1839979.36</b>

Summary of significant accounting policies &amp; other notes on accounts

23

For A M Textiles &amp; Knitwears Limited

For A M Textiles &amp; Knitwears Limited

Mg. Director/Managing Director

(Akhil Mahajan)  
Director

DIN: 00007397

DIN: 00007598

UDIN: 22531619 ALKPA 1806

As per our attached report of even date  
For Gopal Bhargawa & Co.(Gopal Bhargawa)  
ProprietorPanchkula  
30th May 2022Chartered Accountants  
M. No. 531619  
Firm registration No.026816N

(Amount in 100's Rupees)

Figs for the Current Yr.	Figs. for the Previous Yr.
Current Yr.	Previous Yr.

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Income	Note No.	(Amount in 100's Rupees)	
(I) Revenue from operations	15	7788382.57	5289987.27
(II) Other Income	16	8993.60	7164.37
<b>(III) Total Income</b>		<b>7797376.17</b>	<b>5297151.64</b>
<b>(IV) Expenses</b>			
Cost of Materials consumed		0.00	0.00
Purchase of trade goods	17	7391479.44	5394746.57
Changes in inventories of finished goods, traded goods and WIP	18	168064.43	(275077.71)
Employee benefits expense	19	7600.53	7594.86
Finance Cost	20	100904.70	61036.83
Depreciation and amortization expenses	21	11609.20	11358.31
Other expenses	22	24365.06	17436.83
<b>Total Expenses (IV)</b>		<b>7704023.36</b>	<b>5217095.69</b>
<b>V Profit/(Loss) before exceptional items and tax (III-IV)</b>		93352.81	80055.95
VI. Exceptional items		0.00	0.00
<b>VII Profit/(Loss) before tax (V-VI)</b>		93352.81	80055.95
<b>VIII Tax expense</b>		0.00	0.00
Current tax		22450.00	14020.00
Deferred tax		(1072.87)	4281.30
Adjustment of tax relating to earlier years		3123.15	0.00
<b>IX Profit/(Loss) for the year from continuing operations (VII-VIII)</b>		68852.53	61754.65
<b>X Profit/(Loss) for the year from discontinued operations</b>		0.00	0.00
<b>XI Tax expense of discontinued operations</b>		0.00	0.00
<b>XII Profit/(Loss) for the year from discontinued operations (after tax) (X-XI)</b>		0.00	0.00
<b>XIII Profit/(Loss) for the year ( IX+XIII)</b>		68852.53	61754.65
<b>XIV Other comprehensive income</b>			
(A)(i) Items that will not be reclassified to profit or loss			
Re-measurement (gains)/losses on defined benefit plans		0.00	0.00
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
Tax impact effect		0.00	0.00
<b>Other comprehensive income for the year, net of tax</b>		0.00	0.00
<b>XV Total comprehensive income for the year (XIII+XIV)</b>		68852.53	61754.65
<b>XVI Earnings per equity share{refer Point No. 7 of Notes to accounts}</b>			
(nominal value of share Rs.10)		Rs. Per share	Rs. Per share
Basic (Rs.)		4.17	3.74
Diluted (Rs.)		4.17	3.74
		16500	16500
		16500	16500

Summary of significant accounting policies &amp; other notes on accounts

A M Textiles &amp; Knitwears Limited

(Arvind Mahajan)  
Mg. Director/Managing Director

DIN: 00007397

(Akhil Mahajan)  
Director

DIN: 00007598

As per our attached report of even date

For Gopal Bhargawa &amp; Co.

(Gopal Bhargawa)  
Proprietor



Panchkula  
30th May 2022

Chartered Accountants  
M. No. 531619  
Firm registration No.026816N

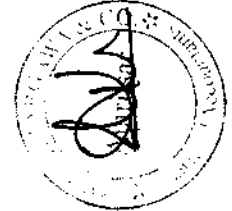
UDIN: 22531619 ALK PAC 1806

**A M TEXTILES AND KNITWEARS LIMITED**

**NOTE "1" PROPERTY, PLANT & EQUIPMENTS**

**Summary of Property, plant and equipment (PPE)**

	Land (Freehold)	Building	Leasehold improvements	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
<b>At cost</b>									
Deemed cost as at April 1, 2020	-	-	-	-	403.45	4,552.53	847.80	89,004.94	94,808.72
Additions	-	-	-	-	-	345.74	-	1,590.00	1,935.74
Disposals	-	-	-	-	-	-	-	(550.06)	(550.06)
Change due to revaluation	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	-	-	-	403.45	4,898.27	847.80	90,044.88	96,194.40
Additions	-	-	-	-	-	877.45	454.24	640.00	1,971.69
Disposals	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Change due to revaluation	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	-	-	-	403.45	5,775.72	1,302.04	90,684.88	98,166.09
<b>Depreciation</b>									
As at April 1, 2020	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	233.66	2,574.36	630.26	45,016.75	48,455.03
Deletions	-	-	-	-	21.37	581.32	87.87	10,667.75	11,358.31
<b>As at March 31, 2021</b>	-	-	-	-	-	-	-	(402.00)	(402.00)
Charge for the year	-	-	-	-	255.03	3,155.68	718.13	55,282.50	59,411.34
Deletions	-	-	-	-	21.38	675.16	165.40	10,747.26	11,609.20
Adjustments	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	-	-	-	276.41	3,830.84	883.53	66,029.76	71,020.54
<b>Net carrying amount</b>									
As at March 31, 2022	-	-	-	-	127.04	1,944.88	418.51	24,655.12	27,145.55
As at March 31, 2021	-	-	-	-	148.42	1,742.59	129.67	34,762.38	36,783.06
As at April 1, 2020	-	-	-	-	169.79	1,978.17	217.54	43,988.19	46,353.69



**A M TEXTILES & KNITWEARS LTD**

(Amount in 100's Rupees)

Figs for the Current Yr.	Figs. for the Previous Yr.
Current Yr.	Previous Yr.

**NOTE "2" FINANCIAL ASSETS**

Securities & Deposits with Government Departments & other Agencies	5000.00	5000.00
Balances with banks held as margin money/against commitments	0.00	0.00
Preliminary expenses to the extent not written off	0.00	0.00
<b>Total Rs.</b>	<b>5000.00</b>	<b>5000.00</b>

**NOTE "3 " INVENTORIES**

(As prepared, valued &amp; certified by the management)

- Yarn (Including stock in transit)	474830.51	642894.94
<b>Total Rs.</b>	<b>474830.51</b>	<b>642894.94</b>

**NOTE "4" TRADE RECEIVABLES**

Trade Receivables	1273772.66	1090552.89
Classification of receivables as per Notes to Accounts " Note 23"		
<b>Total Rs.</b>	<b>1273772.66</b>	<b>1090552.89</b>

**NOTE "5" CASH AND CASH EQUIVALENTS**

Cash in hand	1045.80	1421.74
Imprest balances with staff	0	0
Balances with banks	0	0
Cheques, drafts on hand	0	0
<b>Total Rs.</b>	<b>1045.80</b>	<b>1421.74</b>

**NOTE " 6 " SHORT TERM LOANS AND ADVANCES**

Loans and Advances (unsecured considered good)

Advances recoverable in cash or in kind or value to be received

With parties for

- Supplies/Expenses	3451.87	0.00
- Staff	0.00	0.00
- With related parties:	0.00	0.00
Pre-paid Expenses	530.62	690.66
With Income Tax Department	18097.39	10631.03
With GST	4548.41	37430.78

<b>Total Rs.</b>	<b>26628.29</b>	<b>48752.47</b>
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**NOTE "7" OTHER CURRENT ASSETS**

Quantity Discount and Rate Difference Receivable	2182.18	13039.31
<b>Total</b>	<b>2182.18</b>	<b>13039.31</b>



**AM TEXTILES & KNITWEARS LTD**

(Amount in 100's Rupees)

Figs for the Current Yr. Figs. for the Previous Yr.

Current Yr. Previous Yr.

**NOTE "8" EQUITY SHARE CAPITAL**

**Authorised Capital Uniroyal Industries Ltd.**

1,05,00,000 Equity Shares of Rs. 10/- each

**Authorised Capital AM Textiles and Knitwear Ltd**

17,50,000 (P.Y 17,50,000) Equity Shares of Rs. 10/- each

175000.00 175000.00

Total Rs.

175000.00 175000.00

**Issued, Subscribed And Paid Up Capital AM Textiles & Knitwear Ltd**

16,50,000( Previous Year 16,50,000) Equity

Shares of Rs. 10/- each - 100% held by Holding Company Uniroyal Industries Ltd.

165000.00 165000.00

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

Uniroyal Industries Limited	1650000	100.00	1650000	100.00
Share held by promoters at the end of the year	No. of shares	%age of total Shares	%Change during the year	

S.No Promoter Name

1 Uniroyal Industries Limited	1650000	100.00	0.00	
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Total Rs.

165000.00 165000.00

**NOTE :9" OTHER EQUITY**

**General Reserve**

Opening balance	0.00	0.00
Addition /Adjustment: Transfer from profit and loss account	0.00	0.00
Closing balance	0.00	0.00

Surplus /Profit and Loss Account	124254.27	62499.62
Addition during the year	68852.53	61754.65
Less : Transfer to general reserve	0.00	0.00
Closing balance	193106.80	124254.27

Securities Premium Account	0.00	0.00
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Total Rs.	193106.80	124254.27
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**NOTE "10" LONG TERM BORROWINGS**

(a) Term Loans from banks-Secured	0.00	0.00
(b) Term Loans NBFC's-Secured	0.00	0.00

<b>Subtotal : Depsoits-secured</b>	<b>0.00</b>	<b>0.00</b>
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(c) Deposits-Un secured		
from related parties		
Deposits From Directors	395000.00	245000.00
from others	0.00	0.00
<b>Subtotal : Depsoits-un secured</b>	<b>395000.00</b>	<b>245000.00</b>

Total Rs.	395000.00	245000.00
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The company has not defaulted in the repayment of principal and interest on loans & deposits



**A M TEXTILES & KNITWEARS LTD**

(Amount in 100's Rupees)

Figs for the Current Yr. Figs. for the Previous Yr.

Current Yr. Previous Yr.

**NOTE "11" SHORT TERM BORRWINGS****(a) Cash Credit from banks- secured**

Secured by way of first charge on debtors arising out of trade transactions & stocks of raw materials and consumable stores stocks in process finished goods and packing materials and by way of charge on the immovable assets of the company and personal guarantees of promoter directors

668849.03 676575.33

**Loans and advances from related parties-unsecured**

0.00 0.00

Total Rs.

668849.03 676575.33

**NOTE "12" TRADE PAYABLES****Sundry Creditors for****- Goods/Expenses**

351305.85 610070.10

Classification of receivables as per Notes to Accounts " Note 23"

**- Advances received from customers**

13242.45 1911.46

Total Rs.

364548.30 611981.56

**NOTE "13" OTHER FINANCIAL LIABILITIES**

Other Liabilities

2495.73 1084.70

Expenses Payable

1762.95 2063.50

Total Rs.

4258.68 3148.20

**NOTE "14" PROVISIONS**

Provision for Taxation

22450.00 14020.00

**- Income Tax**

Total Rs.

22450.00 14020.00

**NOTE "15" REVENUE FROM OPERTAIONS**

Sales of Products

7787852.27 5289987.27

Other Operating Revenue

530.30 0.00

Total Rs.

7788382.57 5289987.27

**NOTE "16" OTHER INCOME**

Rent received

8993.60 7164.37

Interest received

Total Rs.

8993.60 7164.37

**NOTE "17" PURCHASE OF TRADE GOODS**

Purchase for trading

7391479.44 5394746.57

Total Rs.

7391479.44 5394746.57



**NOTE "18" CHANGES IN INVENTORY OF FINISHED GOODS, TRADE GOODS AND WORK IN PROGRESS**

<b>Stock at Close</b>		
Traded Goods	474830.51	642894.94
Total Rs	<u>474830.51</u>	<u>642894.94</u>
<b>Opening Stock</b>		
Traded Goods	642894.94	367817.23
Total Rs.	<u>642894.94</u>	<u>367817.23</u>
<b>Increase / (Decrease)</b>	<u>(168064.43)</u>	<u>275077.71</u>

**NOTE "19" EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages & Bonus	7296.68	7344.46
Workmen & Staff Welfare Expenses	303.85	250.40
Total Rs.	<u>7600.53</u>	<u>7594.86</u>

**NOTE "20" FINANCE COST**

<b>Interest expense on</b>		
- Borrowings	88900.99	60232.86
- Trade payables	11293.71	103.97
- Others	0.00	0.00
Other Borrowing cost	710.00	700.00
Total Rs.	<u>100904.70</u>	<u>61036.83</u>

**NOTE "21" DEPRECIATION AND AMORTIZATION EXPENSES**

Depreciation	11609.20	11358.31
Total	<u>11609.20</u>	<u>11358.31</u>

**NOTE "22" OTHER EXPENSES**

<b>Administrative expenses</b>		
Rent	720.00	2185.00
Rates & Taxes	208.00	165.04
Insurance	1767.50	1616.76
Auditor's Remuneration	310.00	310.00
Legal & Professional Charges	3090.00	2500.00
Loss on sale of Fixed Assets	0.00	48.06
Vehicle Running & Maintenance	2021.04	758.58
Telephone Expenses	66.07	85.97
Festival Expenses	109.30	75.15
Repair & Maintenance	1147.70	164.71
Other Administrative expenses	513.78	491.69
<b>Sub total</b>	<b>9953.39</b>	<b>8400.96</b>
<b>Selling and distribution expenses</b>		
Freight & forwarding	0.00	67.60
Packing expenses	0.00	22.10
Discount & commission	14262.82	8802.81
Sales promotion	148.84	143.36
<b>Sub total</b>	<b>14411.66</b>	<b>9035.87</b>
<b>Total</b>	<u><b>24365.05</b></u>	<u><b>17436.83</b></u>



**A M TEXTILES AND KNITWEARS LIMITED**  
Note No. "23" Notes forming part of the financial statements

**1 Corporate Information**

A M Textiles and Knitwears Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The company is carrying on the business of trading of Yarn & Cloth.

**2 Significant accounting policies**

**2.A Basis of preparation**

The Statement of Assets and Liabilities of the Company as at March 31, 2022 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash flows for the year ended March 31, 2022 and Other Financial Information (together referred as 'Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial information are presented in Indian Rupees (INR).

**2.B 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:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) 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:

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

The Company classifies all other liabilities as non-current

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

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

**b. Property, Plant and Equipment**

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to Ind AS, the Company has applied exemptions of Ind AS 101 to continue the carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT/GST credit and VAT credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In respect of other assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful lives estimated by the management (years)
Factory building	30
Other building	60
Plant and Equipment	15
Office Equipment	5
Computers & Data Processing Units	3
Furniture and Fixtures	10
Motor Vehicles	8

**c. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

**d. Impairment of non financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

**e. Financial Instruments**

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

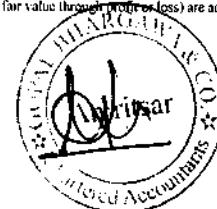
**(i) Financial Assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

**Financial instruments at amortized cost**

A financial instrument is measured at the amortized 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.



After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method.

#### Financial instrument at Fair Value through Other Comprehensive Income (OCI)

A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payments of principal and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

#### Financial instrument at Fair Value through Profit and Loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Equity investments

Equity investments in subsidiaries are measured at cost.

#### Derecognition of financial assets

A financial asset is primarily derecognized 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.

#### Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

#### (ii) Financial liabilities

All financial liabilities are recognized 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 payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

#### f. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per Ind AS 27 Investment accounted for at cost is accounted for in accordance with Ind AS 105 when they are classified as held for sale. Investment carried at cost is tested for impairment as per Ind AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### g. Revenue recognition

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

The specific recognition criteria described below must also be met before revenue is recognized.

#### Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, trade discounts and volume rebates.

#### Job work income

Revenue from job work is recognized by reference to stage of completion of job work as per terms of agreement. Revenue from job work is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates, if any.

#### Export benefits

Export benefits constituting duty draw back and others are accounted for on accrual basis and are considered as other operating income.

#### h. Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overhead, where applicable.

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

#### i. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized under deferred income and is apportioned over the life of the asset.

#### j. Taxes: Taxes comprises current income tax and deferred tax

##### 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 in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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 income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

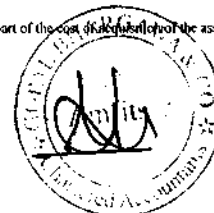
The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

##### GST (Goods and Service tax) / Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ▶ When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



**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 capitalized 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. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

**l. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

**m. Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**n. Employee benefits**

**Provident fund**

Provident fund contribution in respect of employees are made to government as per the Provident Fund Act.

**Gratuity**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has also made contribution to SBI Life Insurance towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with SBI Life is provided for as liability in the books.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

(i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

(ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**Short-term obligations**

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

**o. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**p. Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

**q. Foreign currencies**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (Rs) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the time of the transaction.

**Measurement of foreign currency items at the balance sheet date**

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**r. Fair value measurement**

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

(i) In the principal market for the asset or liability; or

(ii) 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities



- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy, by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, 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.

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 determines 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.

#### Dividend

Final dividend proposed by the Board of Directors is recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

#### 2.C Significant accounting judgements, 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. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

##### (a) Operating lease commitments - Company as lessee

The Company has taken various properties on leases, the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### (a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

##### (b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

##### (c) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

##### (d) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGUS fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.



### 3. Statement of changes in equity for the year ended March 31, 2022

#### a) Equity share capital

(Rs. in Hundreds)

Particulars	Nos.	
As at April 1, 2020	1,650,000	165,000.00
Add: Change in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in Equity share capital during the current year	-	-
<b>As at March 31, 2021</b>	<b>1,650,000</b>	<b>165,000.00</b>
Add: Equity share issued (refer note 12)	-	-
<b>As at March 31, 2022</b>	<b>1,650,000</b>	<b>165,000.00</b>

#### b) Other equity

(Rs.)

Particulars	Reserves and Surplus			Total Other Equity
	Securities premium account	General Reserve	Retained Earnings	
As at April 1, 2020	-	-	62,499.62	62,499.62
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-
Profit/(Loss) for the year	-	-	61,754.65	61,754.65
Transfer from Profit and Loss account	-	-	-	-
Dividends	-	-	-	-
Other	-	-	-	-
Dividend distribution tax	-	-	-	-
<b>As at March 31, 2021</b>	-	-	<b>124,254.27</b>	<b>124,254.27</b>
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-
Profit/(Loss) for the year	-	-	68,852.53	68,852.53
Dividends	-	-	-	-
Other	-	-	-	-
<b>As at March 31, 2022</b>	-	-	<b>193,106.80</b>	<b>193,106.80</b>

#### 4. Summary of Commitments and contingencies

(Rs. in Hundreds)

S. No.	Particulars	As at 31-Mar-22	As at 31-Mar-21
i.	Claims against the Company not acknowledged as debts (Ref)	-	-
ii.	Guarantees given by banks on behalf of the company	-	-



**5. Summary of Financial Instruments**

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

Category	Carrying value		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	<b>Financial asset at amortized cost</b>			
Investments				
Trade receivables (refer Note 4)	1,273,772.66	1,090,552.89	1,273,772.66	1,090,552.89
<b>Financial liabilities at amortized cost</b>				
Non-Current borrowings (refer note 10)	395,000.00	245,000.00	395,000.00	245,000.00
Short term borrowings (refer note 11)	668,849.03	676,575.33	668,849.03	676,575.33
Other non-current financial liabilities (refer note NIL)				
Trade payables (refer Note 12)	364,548.30	611,981.56	364,548.30	611,981.56
Other current financial liabilities (refer note 13)	4,258.68	3,148.20	4,258.68	3,148.20

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.



**6. Restated summary of Financial risk management objectives and policies**

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups.

**a) Capital risk**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employs prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Company.

**c) Credit risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade receivables**

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis is performed at each reporting date on group/category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposit**

Credit risk from balances with banks and financial institutions is managed by the Company's Banking and Forex team in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

**d) 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 prices comprises three types of risk, currency, rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, and foreign currency receivables and payables.



7. Summary of Earnings per share (EPS)

	(Rs. in Hundreds)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Basic EPS</b>		
Profit/(loss) after tax (Rs. in 100's)	68,852.53	61,754.65
<b>Net profit/(loss) for calculation of basic EPS</b>	68,852.53	61,754.65
Weighted average number of equity shares outstanding during the year (Nos.)	16,500	16,500
Basic earnings per share (Rs.)	4.17	3.74
<b>Dilutive EPS</b>		
Equivalent weighted average number of equity convertible security/option outstanding	Nil	Nil
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)	16,500	16,500
Diluted earnings per share (Rs.)	4.17	3.74

8. Summary of Capital Management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. 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, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	(Rs. in Hundreds)	
	As at March 31, 2022	As at March 31, 2021
Long term borrowings	395,000.00	245,000.00
Short term borrowings	668,849.03	676,575.33
Trade payables	364,548.30	611,981.56
Less: Cash and Cash equivalents	1,045.80	1,421.74
Less: Other bank balances	-	-
Net Debt	1,427,351.53	1,532,135.15
Equity share capital	165,000.00	165,000.00
Other equity	193,106.80	124,254.27
Total Equity	358,106.80	289,254.27
Total Capital and net debt	1,785,458.33	1,821,389.42
Gearing ratio	399%	530%



9 In the opinion of the Directors current assets loans & advances have a value on realization in ordinary course of business at least equal to the value at which they have been stated in the Balance Sheet.

10 Revenue from contracts is Rs. 77,87,852.27 which includes revenue from contracts Rs. 77,88,259.44 minus Rate Difference, Rejections of Rs. 407.17.

#### 11 Small Scale Creditors

Sundry Creditors includes Rs NIL/- (Previous year-Rs. NIL/-) due to Micro/Small/Medium enterprises. There is no undertaking from whom amount outstanding for more than 30 Days in respect of small scale undertaking where such dues exceeds Rs. 1.00 lacs (Previous year NIL)

12 Balance of sundry creditors, Sundry Debtors and other advances are subject to confirmation

13 There is no property for which title deeds are not in the name of the company.

14 Investment properties have been stated at historical cost which as per the management is the fair value of these assets. However no valuation report have been taken from a registered valuer as defined under Rule 2 of Companies (Registered Valuers & Valuation) Rules, 2017

15 No loans or advances in the nature of loans have been granted to Promoters, Directors, KMPs and the related parties, either severally or jointly with other persons.

16 No Benami Property has been held by the company.

17 The company has taken working capital limit from HDFC Bank against the security of current assets of the company. Quarterly statements of current assets filed by the company with the bank are in agreement with the books of accounts

18 The company is not a declared willful defaulter by any bank or Financial institution or other lender

19 The company does not have any transactions/relationship with any struck off company.

20 No charge is pending for registration or satisfaction with ROC beyond the Statutory Period

21 Compliance with number of layers of companies is not applicable o the company.

22 No scheme of arrangement was done during the year.

23 Provisions of CSR are not applicable to the company.

24 Company has no transactions in Crypto or virtual currency of any kind during the financial year.

25 The amount of exchange rate differences		Curr. Yr.	Prev. Yr.
a)	Included in Profit & Loss account of the year on Account of receivable and payables: Net	0	0
b)	Adjusted in carrying amount of fixed assets	0	0
c)	In respect of forward exchange contract to be Recognized as an expense in the current year	0	0
d)	In respect of forward exchange contract to be Recognized as an expense in the subsequent years	0	0

26 Managerial Remuneration		Curr. Yr	Prev. Yr
(Remuneration is within the limit prescribed under schedule V to the Companies Act, 2013)			
a)	To the managing Director & Whole time Directors	0	0
	Salary/Commission/Allowance	0	0
	Perquisites	0	0
	Rent Free Accommodation	0	0



Total	0	0	0
b) To other Director	0	0	0

27 Foreign exchange derivatives and exposures outstanding as at the Balance Sheet Date:

Nature of Instrument			
A. Hedged Foreign Currency Exposure on:			
I. Payable	0		0
II. Receivable	0		0
B. Un hedged Foreign Currency Exposure on:			
I. Payable	0		0
II. Receivable	0		0

28 Related Party disclosure as per AS-18

a. List of related & Associated parties

Name of party  
Unitoyal Industries Limited

Relationship  
Holding Company

b. Key management personnel

Mr. Arvind Mahajan  
Mr. Akhil Mahajan

Managing Director  
Director

c. Outstanding Balances

		Curr. Yr.	Prev. Yr.
Due to (from) Directors	Unsecured Loan	395,000.00	245,000.00
Capital in Unitoyal Industries Limited	Capital	165,000.00	165,000.00

d. Transaction /consideration during the year

Party	Relation		Curr. Yr.	Prev. Yr.
Unitoyal Industries Limited	Holding Company	Rent Paid	480.00	480.00
Unitoyal Industries Limited	Holding Company	Sale of Yarn	495.77	466.56
Unitoyal Industries Limited	Holding Company	Purchase of yarn	0.00	0.00
Akhil Mahajan	Director	Interest Paid	17,993.29	1,246.17
Arvind Mahajan	Mng. Director	Interest Paid	24,335.59	11,000.03



29 Auditor's Remuneration

	Cur. Yr.	Prev. Yr.
Auditor's Expenses	0.00	0.00
Payment to Auditors - Certification Etc	0.00	0.00
Tax Audit Fee	110.00	110.00
Audit Fee	200.00	200.00
<b>Total</b>	<b>310.00</b>	<b>310.00</b>

30 Value of Raw Material, Stores and Spare Parts consumed.

	Current Yr. % age	Current Yr. Value	Prev. Yr. & % age	Prev Yr. Value
I. Import of Raw Materials, Stores & Spares	0	0	0	0
II. Import of Machinery	0	0	0	0

31 Amount remitted in foreign currencies on account of

Dividend	0	0
Expenditure Travelling	0	0
Earning in foreign exchange-Exports of Goods FOB Value	0	0

32 Trade Receivables Classification

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount

- (i) Undisputed Trade Receivables-Considered Good
  - Less than Six Months 1190970.88 1055773.13
  - Six Months to one year 37789.66 0.00
  - 1 to 2 years 25459.82 17644.66
  - 2 to 3 years 4867.20 2566.60
  - More than 3 years 14690.10 14568.50
- Total 1273772.66 1090552.89
- (ii) Undisputed Trade Receivables-Which have significant increase in credit risk 0.00 0.00
- (iii) Undisputed Trade Receivables-Credit Impaired 0.00 0.00
- (iv) Disputed Trade Receivables-Considered Good 0.00 0.00
- (v) Disputed Trade Receivables-Which have significant increase in credit risk 0.00 0.00
- (vi) Disputed Trade Receivables-Credit Impaired 0.00 0.00

**1273772.66**      **1090552.89**



**33 Trade Payables Classification**

Particulars	Current Year		Previous Year	
	Amount	Amount	Amount	Amount
For Goods/Expenses				
(i) MSME	0.00	0.00		
Less Than 1 Year	0.00	0.00		
1 Year to 2 Year	0.00	0.00		
2 Year to 3 Year	0.00	0.00		
More Than 3 Year	0.00	0.00		
(ii) Others	351305.85	610070.10		
Less Than 1 Year	350069.47	609630.12		
1 Year to 2 Year	0.00	0.00		
2 Year to 3 Year	1200.38	439.98		
More Than 3 Year	36.00	0.00		
(iii) Disputed Dues- MSME	0.00	0.00		
(iii) Disputed Dues- Others	0.00	0.00		
	<b>351305.85</b>	<b>610070.10</b>		

**34 Previous Years Figures**

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

**35 Balance Sheet abstract and company's general business profile**

I. Registration Details:		
Registration No.	LI8101HR1993PLC0331	67
Balance Sheet Date	31/03/2022	
II. Capital raised during the year (amount Rupees in Hundreds)		
Public Issue		Nil
Right Issue		Nil
Bonus Issue		Nil
Private Placement		Nil
III. Position of mobilization and deployment of funds (amounts in hundred)		
Source of Funds		
Total Liabilities		1813212.81
Paid up Capital		165000.00
Reserve & Surplus		193106.80
Share Application Money		0.00



Non Current Liabilities	395000.00
Current Liabilities	1060106.01
Application for Funds	
Total assets	1813212.81
Non current Assets	34753.37
Current assets	1778459.44
IV Performance of Company (Amount in thousands)	
Turnover	7797376.17
Total Expenditure	7704023.36
Profit/Loss before Tax	93,352.81
Profit/Loss after Tax	68,852.53
(+for profit, -)for loss)	
Earning Per Share	4.17
Dividend rate%	0
V Generic Names of Three Principal Products/Services of Company (as per Monetary terms	
Product Description	(ITC Code)
Polyester Filament Yarn	54024700
Polyester Texturised Yarn	54023300
As per our report of even date attached	

For A M Textiles and Knitwears Limited

For A M Textiles & Knitwears Limited

(Arvind Mahajan)  
Managing Director

For A M Textiles & Knitwears Limited  
Ms. Director (Arvind Mahajan)  
Director

DIN: 00007397

DIN: 00007598

Place: Panchkula  
Date: 30<sup>th</sup> May, 2022

For Gopal Bhargava &

Co  
Chartered Accountants

Gopal Bhargava  
Proprietor

Firm Regn. No. 026816N



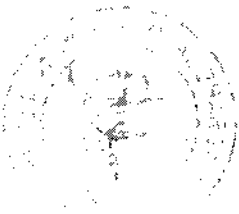
Financial Ratios for the year ended 31st March, 2022

A.M. Textiles & Milling Co. Ltd. Varanasi

Sl. No.	Particulars	Numerator	Denominator	Current Year		Remarks
				2021-22	2020-21	

1	CURRENT RATIO	Current Assets	Current Liabilities	1.54	1.13	
2	DEBT TO EQUITY RATIO	Total Debt	Shareholders' Equity	4.62	4.37	
3	DEBT TO EQUITY COVERAGE RATIO	Earning available to Debt Service	Debt Service	1.92	1.92	
4	RETURN ON EQUITY RATIO	Net Profit after Taxes	Average Shareholders' Equity	3.24	3.24	
5	INVENTORY TURN OVER RATIO	Net Sales	Average Inventory	13.24	13.47	
6	TRADE RECEIVABLES TURNOVER RATIO	Net Sales	Average Receivables	6.58	6.58	
7	TRADE PAYABLES RATIO	Net Purchases	Average Trade Payables	11.14	11.14	
8	NET CAPITAL TURNOVER RATIO	Net Sales	Average Shareholders' Equity	14.06	14.06	
9	NET PROFIT RATIO	Net Profit	Sales	9.01	9.01	
10	RETURN ON CAPITAL EMPLOYED	Earning before Interest & Tax EBIT	Capital Employed	0.25	0.25	
11	RETURN ON INVESTMENT			N/A	N/A	

Inventory Turnover is improved due to higher level of sales and better management of inventory



<b>A M TEXTILES AND KNITWEARS LIMITED</b>			
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Amount in 100 Rupees.)</b>			
		<b>AM Textile &amp; Knitwears Limited</b>	
Sr. No.	PARTICULARS	Figs for the Current Yr.	Figs. for the Previous Yr.
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	NET PROFIT BEFORE TAX	93,352.81	80,055.95
	ADJUSTMENTS FOR :-		
	Depreciation	11,609.20	11,358.31
	Loss on Fixed Assets	-	48.06
	Misc. Exp. Written Off	-	-
	Depreciation on Investments	-	-
	Other comprehensive income for the year, net of tax	-	-
	Sundry Balance Written Off/Written Back	(2.02)	(62.47)
	Dividend Received	-	-
	Profit Transfer from Uniroyal Developers & Builder	-	-
	Financial Expenses	100,904.70	61,036.83
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>	<b>205,864.69</b>	<b>152,436.68</b>
	<b>Adjustments for (increase) / decrease in operating assets:</b>		
	Inventories	168,064.43	(275,077.71)
	Trade receivables	(183,217.75)	(564,154.10)
	Short term loans and advances	22,124.18	(26,515.37)
	Long term loans and advances	-	(5,000.00)
	Other Current Assets	10,857.13	(11,662.22)
	Security Deposits	-	-
	Bank deposits with more than 12 months maturity	-	-
	Others ( Non Current Investments)	-	-
	<b>Adjustments for Increase / (decrease) in operating liabilities:</b>		
	Trade Payable	(247,433.26)	576,905.03
	Other Financial liabilities	1,110.48	(11,671.61)
	Current maturity of Long term borrowings	-	-
	Other Non Current liabilities	-	-
	Provisions Short Term	8,430.00	14,020.00
	Non Current Provisions	-	-
		(14,200.10)	(150,719.30)
	Less:- Current Taxes	(22,450.00)	(14,020.00)
	Income Tax Paid	(3,123.15)	-
	<b>Total (A)</b>	<b>(39,773.25)</b>	<b>(164,739.30)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant & Equipments	(1,971.69)	(1,935.76)
	Disposal of Assets	-	100.00
	Dividend Received	-	-
	Investments Current	-	-
	Investments Properties	-	-
	<b>Total (B)</b>	<b>(1,971.69)</b>	<b>(1,835.76)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Short Term Borrowings	(7,726.30)	83,037.48
	Long Term borrowings	150,000.00	144,159.18
	Issue of Share Capital	-	-
	Less :- Cash outflow from the financing activities		
	Financial Expenses	(100,904.70)	(61,036.83)
	<b>Total (C)</b>	<b>41,369.00</b>	<b>166,159.83</b>
	<b>Total Cash Inflow During The Ye. (A) + (B) + (C)</b>	<b>(375.94)</b>	<b>(415.23)</b>
	Opening Cash Balance	1,421.74	1,836.97
	Total Cash Inflow During The Year	(375.94)	(415.23)
	<b>Net Cash &amp; Cash Equivalent as on 31.03.2022</b>	<b>1,045.80</b>	<b>1,421.74</b>



For GOPAL BHARGAWA & CO.  
(Chartered Accountants)

(Gopal Bhargawa)  
Proprietor  
Firm registration No.026816N  
Panchkula  
30th May 2022

For and on behalf of the Board of Directors

For A M Textiles & Knitwears Limited

Mg. Director/Director

(Arvind Mahajan)  
Managing Director  
DIN: 00007397

For A M Textiles & Knitwears Limited

(Akhil Mahajan)  
Director  
DIN:00007598

Mg. Director/Director