# ANNUAL REPORT 2021 - 2022

**AI Champdany Industries Limited**

# AI Champdany Industries Limited

CIN: L51909WB1917PLC002767

**BOARD OF DIRECTORS**
Mr. D J Wadhwa.Chairman up to 28.07.2022
Dr. G Goswami, Independent Director
Mr. Nirmal Pujara, Managing Director
Mr. L Jha, Executive Director & CFO
Mr. Mrityunjoy Banerjee, Independent Director
Mrs. Mina Agarwal, Independent Director
Mr. Mrinal Kanti Roy, Independent Director (From 13.08.2022)

**COMPANY SECRETARY & COMPLIANCE OFFICER**
Mr Gopal Sharma

**AUDITORS**
G Basu & Co.
***Chartered Accountants***
FRN 301174 E

**BANKERS**
Bank of Baroda
Allahabad Bank
Bank of Maharashtra
IDBI Bank Ltd.

**REGISTERED OFFICE**
25, Princep Street
Kolkata-700 072
Phone: 2237 7880/85
Fax: 033-2236 3754/033-2225 0221
E-mail: cil@ho.champdany.co.in
Website: www.jute-world.com

**REGISTRAR &TRANSFER AGENT**
MCS Share Transfer Agent Ltd.
383, Lake Gardens, 1st floor,
Kolkata-700045
Phone:(033) 4072-4051 to 53

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## WORKS

| | | | |
|---|---|---|---|
| Wellington Jute Mill<br>9, G T Road<br>Rishra, Hooghly<br>West Bengal<br>Pin: 712 248 | Fine Yarn Unit<br>1, West Ghosh Para Road<br>Jagatdal, 24, Parganas (N)<br>West Bengal<br>Pin: 743 125 | Flax Unit<br>1, West Ghosh Para Road<br>Jagatdal, 24, Parganas (N)<br>West Bengal<br>Pin: 743 125 | Yarn Unit<br>9, G T Road, Rishra<br>Hooghly<br>West Bengal<br>Pin: 712 248 |
| Weaving Unit<br>39, Shalimar Road<br>Howrah (South)<br>West Bengal<br>Pin: 711 103 | Libra Carpet & Yarn Unit<br>Choudwar<br>Cuttack<br>Odhisa<br>Pin: 754 025 | Yarn Weaving Unit<br>Naity Road, Konnagar<br>Hooghly<br>West Bengal<br>Pin: 712 246 | Weaving Unit<br>9, G T Road, Rishra<br>Hooghly<br>West Bengal<br>Pin: 712 248 |

## AI CHAMPDANY INDUSTRIES LIMITED
## DIRECTORS' REPORT

**TO THE SHAREHOLDERS**

Your directors are pleased to present the Annual Report of your Company and the Company's Audited Financial Statements for the financial year ended 31stMarch 2022.

**FINANCIAL RESULTS**

(Rs. in lacs)

| | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|
| Profit/(Loss) before Finance Cost, Depreciation, and Tax | **228.85** | (784.81) |
| Finance Cost | **585.21** | 590.01 |
| Depreciation and Amortization | **336.25** | 355.40 |
| Profit / (Loss) Before Tax | **(692.61)** | (1730.22) |
| Provision for Tax: | | |
| - Current Tax | **-** | - |
| - Deferred Tax (Income) / Expenses | **(386.30)** | 18.30 |
| Profit / (Loss) After Tax | **(306.31)** | (1748.52) |
| Other Comprehensive Income/(Loss) | **457.33** | 789.16 |
| Total Comprehensive Income/(Loss) | **151.02** | (959.35) |

**DIVIDEND**

Your directors do not recommend any dividend on Equity and Preference Shares in view of carry forward loss.

**OPERATIONS**

During the year sales/income from operations was Rs. 44.05 Crores compared to previous year of Rs. 66.36 Crores. The prices of raw jute were higher due to shortage of water at time of retting. Besides due to better holding capacity of the farmers, they were reluctant to sell the Jute if prices were down. Operations were adversely affected to due labour unrest from time to time resulting in suspension of operations at times. The demand for jute goods was generally steady. Due to farmers getting remunerative prices. The next season crop was is unexpected to be bountiful baring adverse weather.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of business of the Company during the year under review.

**COVID-19**

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. The unprecedented health crisis triggered by the COVID-19 pandemic not only posed a significant threat to human life but also impacted livelihood. After combating the first wave of coronavirus, the second wave staged a more horrific atmosphere than the earlier one to human life. Vaccination has had a crucial role in restricting the impact of Covid-19, restoring confidence in the economy, and decreasing the effects of the second wave on India's economy. Vaccination had a crucial role in reducing the number of deaths, restoring confidence in the economy, and decreasing the effects of the second wave on India's economy. However, all our factories could not work efficiently during the year despite the controlled COVID-19 environment.

**CANCELLATION OF DEVELOPMENT AGREEMENT**

On 13th August 2021 the company entered into a Development Agreement with a Real Estate Developer for joint development of the company's land admeasuring 13.69 Acres of Shalimar unit (free from all labour liabilities) situated at 39, Shalimar Road, Howrah-711103, West Bengal. As per the terms of the Agreement the Developer has undertook the full responsibility for the development of the said land at its own cost whereas your company as owner of the land will receive an aggregate sum of Rs. 66.26 Crores in phased manner over a period of time as per the terms of the agreement.

However, the said agreement has been cancelled due to default in payment of installments by the Developer, Eden Realty Ventures Pvt Ltd

**RISK MANAGEMENT FRAMEWORK**

Your company has a Risk Management Framework approved by the Board of Directors. The Risk Management Framework provides the mechanism for risk assessment and its mitigation. The Risk Management framework which has been entrusted to Executive Director &CFO for implementation/administration is being periodically reviewed by the Audit Committee and the Board of Directors.

None of the risks, the company is exposed to as described in appropriate part of financial statements and Management Discussion and Analysis Report, appears significant enough from the standpoint of the existential risk.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

During the year under review, no complaint of sexual harassment has been received from any women employee.

**PARTICULARS OF EMPLOYEES**

There was no employee who was in receipt of remuneration exceeding the limit specified in Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CHANGES IN SHARE CAPITAL**

During the year there was no change in paid up Equity Capital and preference capital of the Company.

**KEY MANAGERIAL PERSONNEL**

The following are the Key Managerial Personnel of the Company as on the date of this report

i) Mr. Nirmal Pujara, Managing Director.

ii) Mr. Lalanjee Jha, Executive Director and CFO.

iii) Mr. Gopal Sharma, Company Secretary

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars as required Under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are set out in a separate statement attached to this report and forms part of it.

**MANAGING DIRECTOR**

Tenure of Mr. Nirmal Pujara as Whole Time Director is upto 31st December, 2022. Board of Directors on recommendation of Nomination and Remuneration Committee again appointed Mr. Nirmal Pujara to the post of Managing Director for a period of 5 years w.e.f 13th August,2022 subject to approval of shareholders or such other authorities as applicable, at a remuneration as set out in the Resolution/ Explanatory statement of the Notice of ensuing AGM

**CHAIRMAN**

Mr. D J Wadhwa left for his heavenly abode on 29.07.2022 on attaining the age of 84 years . The company benefitted immensely from his contribution. His leadership skill helped the Company to emerge as the largest manufacturer-exporters of Jute goods from India for years and rise to extra ordinary height. He left his mark on the company and in the Jute Industry like no other. The Board records its deep condolence and high appreciation for the invaluable contribution made by Mr. D J Wadhwa in the growth of the Company.

**APPOINTMENT:**

Mr. Mrinal Kanti Roy was appointed as an Additional Independent Director of the Company with effect from 13thAugust, 2022.He shall hold office upto the date of the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment as an Independent Director. The Board has received the consent from Mr. Mrinal KantiRoy to act as an Independent Director of the Company.

Tenure of Mr. MrityunjoyBanerjee as Independent Director is valid upto the ensuing Annual General Meeting. Mr. MrityunjoyBanerjee has given his consent for reappointment as Independent Director of the Company for a further period of 1 years for which the necessary resolutions is proposed in the notice of the ensuing AGM.

**CESSATION OF INDEPENDENT DIRECTOR AT THE AGM**

Mr. Giridhan Goswami (DIN: 00024209),was appointed as Independent Director of the Company at 99th AGM held on 21st September, 2017 for 2ndterm of 5 years. He will cease to be Independent Director of the company on the conclusion of 104thAGM and he is not eligible for re-appointment on completion of his 2nd Term of 5 years because as per Section 149 of the Companies Act,2013 no independent director shall hold office for more than two consecutive terms. Consequently, he will cease to be the Director with effect from the ensuing AGM to be held in the year, 2022. The Board appreciates and record the contribution of Dr Giridhan Goswami for his valuable guidance and adviceduring his tenure.

**DISCLOSURES ON MANAGERIAL REMUNERATION**

Details of Managerial Remuneration as required under section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure I of this Report.

**STATUTORY AUDITORS& AUDITORS REPORT**

The Statutory Auditors, M/s. G. Basu & Co., Chartered Accountants ( FRN 301174E) will hold office till the conclusion of forthcoming 104thAnnual General Meeting of the company.

The Board has recommended the re-appointment of M/s G Basu & Co, Chartered Accountants (FRN No 301174E) as the statutory Auditors of the Company for second term of 5 (five) consecutive years from the conclusion of 104th AGM to be held in the year 2022 till the conclusion of 109th AGM to be held in the year 2027 subject to the approval of shareholders of the company at the ensuing AGM.

The Statutory Auditors have confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the Statutory Auditor. The report given by the Statutory Auditor on the financial statements of the Company forms part of the Annual Report. There is no qualification, reservation, adverse remark given by the statutory auditor in their report. The Auditors have not reported any fraud during the year.

**COST AUDITORS**

Pursuant to provisions of Section 148(1) of the Companies Act, 2013, your Board of Directors have re-appointed M/s. M/s N Radhakrishnan & Co., Cost Accountants (Firm Regn No..000056) as Cost Auditor of the Company for the Financial year 2022-2023 for conducting the Audit of Cost records maintained by the company. The Audit of Cost records is in progress and report will be filed with the authority within the prescribed time period in accordance with the Act and relevant rules made thereunder. A proposal for ratification of remuneration of cost Auditors for the FY 2022-23 will be placed before the members of the Company at the ensuing AGM for ratification/approval.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Provisions of Section 134 (5) of the Companies Act, 2013your Directors have confirmed that:

a) In the preparation of the Annual Accounts for the Financial Year ended 31st March, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/(Loss) of the Company for that period;
c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) The Annual Accounts for the financial year ended 31st March, 2022have been prepared on a going concern basis;
e) They have laid down internal financial controls for the Company which are adequate and are operating effectively and,
f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ANNUAL RETURN**

Pursuant to the provisions of Section 92 (3) read with section 134(3) (a) of the Companies Act, 2013 the draft copy of the annual return for the F.Y. 2021-22 is uploaded on the website of the Company at web link https://www.jute-world/financials/annualreport and the same can be viewed by the members and stakeholders.

**SECRETARIAL AUDIT**

The Board of Directors have Re-Appointed M/s K. Arun & Co., Company Secretaries (C.O.P. 2270) to carry out the Secretarial Audit for the Financial Year 2022-23.

The Secretarial Audit Report for the Financial Year ended 31st March 2022 is given in Annexure II.

The Report of Secretarial Auditors does not contain any Qualification, Reservation or Adverse Remark.

## INTERNAL AUDITORS

The Board of Directors have Reappointed M/s.Vimal & Seksaria., A firm of Chartered Accountants to carry out the Internal Audit for the Financial Year 2022-23

## MEETINGS OF THE BOARD

Four Meetings of the Board of Directors were held during the year ended 31st March 2022. Details of composition of Board, Attendance of each Director etc. are provided in the "Report on Corporate Governance".

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Provisions of section 129(3) of the Companies Act 2013 and IND AS-103/110, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiary Company viz., Champdany Constructions Limited.

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY COMPANY

Particulars as required under Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 the salient features of the financial statement of company's subsidiary viz., Champdany Constructions Ltd are given in Form AOC 1, as Annexure III.

## LISTING WITH THE STOCK EXCHANGE

The Company's shares are listed on the BSE Ltd (BSE) and Annual Listing Fees for financial year 2022-23 has been paid to the Stock Exchange.

## SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No significant & Material Orders relating to settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any asset etc. were passed by the Regulators for or against the Company during the financial year ended 31st March 2022.

## MATERIAL CHANGES AFFECTING THE COMPANY

There were no material change and commitment made affecting the financial position of the Company between 1st April,2022 and 13th August, 2022 which is the date of the report.

## SUSPENSION OF WORK

During the year under review, Wellington Jute Mill (WJM) and Yarn Unit, Rishra were under suspension of work for 339 days and 74 days due labour unrest, covid and other reasons.

Flax Unit have been subject to suspension of work for 312 days during the year under review due to labour problems.

However, lately due to improvement in situation, possibility of some unit reopening appears bright.

## INTERNAL FINANCIAL CONTROL SYSTEM WITH REFERENCE TO THE FINANCIAL STATEMENTS AND ITS ADEQUACY

The Company has adequate Internal Financial Controls with reference to the Financial Statements. The Company's internal control system is commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Audit has been carried out by M/s.Vimal & Seksaria, Chartered Accountants.

The internal Auditors continuously monitor the efficacy of Internal Financial Control system with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's risk management with regard to inter alia, Internal financial Control system with reference to the financial statements.

The Audit Committee of your Board periodically reviews the Internal Audit Report submitted by the Internal Auditors. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures followed by the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013**

Particulars of Investments made by the Company have been disclosed in note no.38 to the Standalone Financial Statements for the Financial Year Ended 31st March 2022. The Company has not given any loan during the year.

**PARTICULARS OF CONTRACTS, ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES**

During the year under review, the Company has not entered into any contract / arrangement with related parties which are materially significant.

All contracts/ arrangements entered into by the Company with its Related Parties as defined under the Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015during the year, were in the ordinary course of business and at arm's length price. Thus, provisions of Section 188 are not attracted, which have been duly disclosed in Note No. 32to the Standalone Financial Statements for the Financial Year Ended 31st March 2022.

**PREVENTION OF INSIDER'S TRADING**

In terms of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended up-to-date, the Company has adopted a model Code of Conduct for prevention of Insider Trading in the shares and securities of the Company. The Code, inter alia, prohibits purchase, sale of shares of the Company by the Directors, Officers and Designated Employees while in possession of the unpublished price sensitive information in relation to the Company. The Company Secretary is the Compliance Officer for the purpose of these Regulations.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of this Annual Report.

**CORPORATE GOVERNANCE**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as prescribed by SEBI. The Report on Corporate Governance and a Certificate from the Auditors of the Company certifying compliance of conditions of Corporate Governance are attached hereto and form part of the Directors' Report.

**ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such a manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

**INDUSTRIAL RELATIONS**

Industrial Relations in all units and branches of the Company remained generally cordial and peaceful throughout the year, except in Units under suspension of work, etc. as mentioned in Management Discussion & Analysis Report annexed herewith.

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to place on record their appreciation for the continuous support, encouragement and co-operation received from the Company's bankers, the Government of West Bengal, customers, employees, shareholders and other business associates.

On Behalf of the Board

M. Banerjee (DIN08600440)
N. Pujara (DIN 00047803)
Directors

Place: Kolkata
Dated: 13thAugust, 2022

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**A. Industry Structure and Development:**

The current year has witnessed shortage of raw jute due to climatic conditions. The prices skyrocketed to highest ever levels and showed a steep rise of about 50% within one year. More disturbingly, there was not adequate jute at reasonable price for the industry to operate at full capacity till High raw jute prices were passed on to buyers but in many areas, the high prices were not acceptable to the buyers. There is a risk of loss of certain markets in future due to the price appreciation. Despite recovering from the first wave of COVID-19, second wave has also hampered the productions of company due to lockdown imposed by the state Government from time to time. During the secondwave, Jute Industry were allowed to operate only at 30% capacity by the Government of West Bengal in terms of their order dated 7th May, 2021. However, having combatted such scenario during the first wave, we hope to be successful again. Your directors stand in solidarity with the nation in such challenging times.

**B. Opportunities/Threats, Risks & Concerns:**

**Opportunities**

A) World over there is a move to reduce carbon foot prints and it augers well for the jute industry because of its products being bio degradable and made from natural fibers.

B) Government of India is further discouraging use of plastic packaging and jute being natural fibre has a greater scope for making inroads in the newer areas of applications with growing concerns for plastic uses.

**Threats**

A) Higher Raw Jute prices and low productivity with high wage cost is a cause for concern for the industry.

B) Shortage of skilled manpower is continuing for last several years which needs to be augmented to enhance capacity utilization which is at reduced level currently.

Opportunities  Greater awareness among the people about the demerits of using plastic is leading to a higher demand for natural bio-degradable jute goods.  The diversified use of jute in floor coverings, jute geo-textiles, shopping bags and other industrial purposes is giving a boost in the demand for jute goods. Threats  COVID 19 is a major threat to the Jute Industry and a matter of concern as the operations could be affected anytime either at our end or customers and Loss of markets due to high raw jute prices.

C. **Outlook:**

There is expectation that because of good weather conditions, ensuing raw jute crop would be a bumper one thereby providing much needed relief to the Industry with comfortable availability of Raw Jute at reasonable prices.

Demand for B. Twill bags from the government procurement Agencies continues to be strong and with the expectation of normal monsoon again this year, demand for B. Twill bags would remain good however industry needs to augment production to meet the demand.

With infusion of funds from the development of its closed unit, namely Shalimar, as enumerated in the directors report here in above, your company is taking necessary steps to pare down its Bank borrowing considerably as well as augment its capacity utilization in the manufacturing units. The company plan to revamp certain essential infrastructure and equipments so as to improve productivity, efficiency and optimize procurement of Raw jute, stores, spares, etc.

Moreover, your company being highly asset rich is having several parcels of land bank under its fold situated in and around Kolkata which were acquired almost three decades ago. The Company, as part of its program for monetization of non-core assets is continuously exploring the opportunities of monetization of such non-core assets with an action plan to make the company completely debt free as well as to modernize its manufacturing process and infrastructure facilities with the objective of bringing back the company again in the growth trajectory, barring unforeseen circumstances.

We are happy to inform that the Company has been able to withstand the losses of COVID 19 shut down during first wave and shown encouraging results.

**D. Internal Control System & Adequacy:**

The Company has an effective and adequate internal control system and procedures which are commensurate with its size and nature of business.The Internal control systems are designed in such way that all the assets are safeguarded and protected against loss and all transactions are authorized, recorded and reported correctly. The Audit Committee monitors and evaluates and reviews the Internal Financial Control systems of the Company. Regular Internal Audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in place.

**E. Financial Performance with respect to Operational Performance:**

Sales / Income from operation was to Rs.44.05 Crore compared to Rs. 66.36 Crore in the previous year.

The Company is trying to revive the operations at Wellington Jute Mill, Yarn and Weaving units at Rishra by appointing Senior Executive for improvement of operations. Besides, all feasible options are being evaluated as part of restructuring exercise.

**F. Material Development in Human Resources/Industrial Relations Front:**

The Company continues to rationalize its workforce and put emphasis on providing quality training under the Company's programme.

**Cautionary Statements:**

Certain statements in this report may be construed as forward looking statements which have been made as required by laws and regulations, as applicable. There are several factors, which would be beyond the control of management and as such, may affect the actual results, which could be different from that envisaged.

On Behalf of the Board

M.Banerjee (DIN08600440)
N.Pujara (DIN 00047803) } Directors

Place: Kolkata
Dated: 13th August, 2022

## ANNEXURE - 1

**Statement under Section 197(12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| Rule | Particulars | | |
|---|---|---|---|
| (i) | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22 | Mr. D J Wadhwa<br>Mr. Nirmal Pujara<br>Mr. Lalanjee Jha, Executive Director and CFO | 1.30:0<br>9:0<br>16:0 |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the financial year 2021-22 | | |
| | Director: Mr. D J Wadhwa, Non-executive Chairman | | Unchanged |
| | Mr. Nirmal Pujara, WTD | | Unchanged |
| | Mr. Lalanjee Jha, Executive & CFO | | Unchanged |
| | | | Unchanged |
| | C.S. : Mr. Gopal Sharma | | N.A |
| (iii) | The percentage increase in the median remuneration of employees in the financial year; | | (-6.59) |
| (iv) | The number of permanent employees on the rolls of company | | 2370 |
| (v) | Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | | During the last financial year there was no increase in remuneration of managerial and non-managerial employees of the Company |
| (vi) | Affirmation that the remuneration is as per the remuneration policy of the company | | Yes |

**AI CHAMPDANY INDUSTRIES LIMITED**

**Annexure to the Directors' Report**

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2022.

**A. CONSERVATION OF ENERGY**

The Company continues its efforts to conserve energy and has taken the following steps on ongoing basis:

a. Replacement of Conventional Fluorescent Lamps with Light Emeidie Diode (LED) type lamp fittings.

b. Replacing in phased manner High Power Sodium Vapour lamps fittings by Metal Halide Lamp fittings and good quality copper ballast.

c. Mounting of spinning motors outside machine frame to reduce power consumption, ball bearing and grease consumption and reduction of breakdown and dire hazard as well as increase in the productivity. Power factor already improved from 95% to 99% to get more rebate in power bill.

d. Putting variable frequency with driving looms.

e. Taking care for maximum utilization of energy and to reduce the energy consumption, capacitors have been installed in every department to improve power factor and always try to maintain it to 99% to reduce losses. All motors, electrical & electronic equipments and machine parts are regularly checked and maintained to reduce losses.

f. Regular checking and maintenance of Steam pipe lines, valves, steam traps to reduce the loss of steam and finally consumption of fuel in the Boiler.

Continuous monitoring of system voltage and power factor to minimize losses, follow rigid routine preventive / proactive maintenance schedule of machine, use of energy efficient motors, elimination of idle / under loading of machines.

Constant efforts are being made to identify new technologies to improve the working of the plants for reduction in consumption of energy and cost of production.

**"FORM A"**

| a) | | **POWER AND FUEL CONSUMPTION** | **Current year** | **Previous year** |
|---|---|---|---|---|
| I) | | **ELECTRICITY** | | |
| | a) | Purchased Units (KWH) | 2764794 | 4857650 |
| | | Total Amount (Rs. in lacs) | 250.33 | 409.72 |
| | | Rate / Unit (Rs.) | 9.05 | 8.43 |
| | b) | Own Generation through Diesel Generator (Units)- | - | |
| | | Units per litre of Oil | - | - |
| | | Cost / Unit (Rs.) | - | - |
| | COAL | | | |
| | (B grade used for generation of steam in boiler) | | | |
| | | Quantity (M. Ton.) | - | - |
| | | Total Cost (Rs. in lacs) | - | - |
| | | Average Rate (Rs.) | - | - |
| | **CONSUMPTION PER UNIT OF PRODUCTION** | | | |
| | Electricity (KWH/MT) | | | |
| | Jute/Jute diversified Products and Services | | 1083.85 | 822.79 |
| | Flax Products | | 1726.51 | 2574.01 |
| | Coal per ton of Production (M.Ton) | | | |
| | Jute/Jute diversified Products & Services | | | - |
| | Flax Products | | | - |
| | Production | | | |
| | Jute & Jute Diversified Products (M. Ton.) | | 2384.45 | 5680.46 |
| | Flax Product (M. Ton.) | | 104.49 | 71.42 |

## "FORM B"

**B. TECHNOLOGY ABSORPTION**

**RESEARCH AND DEVELOPMENT (R & D)**

R&D Projects are being pursued in house & in conjunction with IJIRA/Jute Board for development of value added items having combinations of jute blended with other natural and manmade fibre and improvement of end products including linen yarn.

**BENEFITS DERIVED AS A RESULTS OF THE ABOVE R&D AND FUTURE PLAN OF ACTION:**

Technology absorption, adaptation and innovation –

a) By taking out Motor from Machine to outside Energy saving is 20 units per day per frame.

b) Motor will remain cool, comparatively clean, wear & tear of Motor will be decreased and most important fire hazards will be eliminated.

c) Consumption of Bearing will be reduced considerably for spinning section.

d) By using armoured cable on Spinning Machine Main line fire hazard and line losses will be minimized.

Benefits are expected to accrue in terms of value addition, cost optimization, better turnaround improvement of quality and serviceability.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION AND INNOVATION:**

Continued assistance being sought for technology transfers and up-gradation from developed countries for perpetual improvement of existing products and developments of newer products. The Company had adopted technology of fine yarn and soil saver; further improvements are anticipated in development of HCF Food Grade jute products.

**EXPENDITURE ON R&D:**

In accordance with the Company's consistent practice, expenditure on R&D activities remains merged with various heads of account.

**DETAILS OF IMPORTED TECHNOLOGY:**

No technology has been imported during the year.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans:

The Company has taken several initiatives for development of new products by way of diversification of product folio and cost reduction for export market.

**Total foreign exchange used and earned (Rs. in lacs)**

| | **Current Year** | **Previous Year** |
|---|---|---|
| Used: | **250.62** | **12.49** |
| Earned: | **740.13** | **1399.75** |

Place: Kolkata
Dated: 13th August, 2022

On Behalf of the Board
N. Pujara
DIN : 00047803
M. Banerjee
DIN : 08600440
Directors

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

To,
The Members of
AI Champdany Industries Ltd
25,Princep Street
Kolkata – 700072

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directorsof AI Champdany Industries Limited having CIN: L51909WB1917PLC002767 and having registered office at 25,Princep Street, Kolkata – 700072 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except Mr.NIL (DIN) who has been debarred/disqualified by [give name of Statutory Authority and reason].

| Sr No | Name of Director | DIN | Date of appointment of Company |
|---|---|---|---|
| 1 | DAMODAR DAS JERAMBHAI WADHWA | 00046180 | 31/05/2006 |
| 2 | NIRMAL PUJARA | 00047803 | 30/05/2012 |
| 3 | GIRIDHAN GOSWAMI | 00024209 | 30/12/2005 |
| 4 | MRITYUNJOY BANERJEE | 08600440 | 02/11/2019 |
| 5 | LALANJEE JHA | 08972636 | 14/11/2020 |
| 6. | MINA AGARWAL | 06948015 | 10/03/2021 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date :30.05.2022

Name: Rinku Gupta
Membership No: F9237
CP No.:9248
UDIN F009237D000453307

**SECRETARIAL AUDIT REPORT** ANNEXURE II

FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2022

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

To,
The Members,
AI Champdany Industries Limited
CIN: L51909WB1917PLC002767

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AI CHAMPDANY INDUSTRIES LIMITED** (hereinafter called "the Company"). The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

I. The Companies Act, 2013(the Act) and the rules made thereunder;
II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
V. The company operates in the Jute Industry and compliances are made with the applicable regulatory authorities and the guidelines laid down by them.

We have also examined the compliance by the company of the following statutory provisions/standards/regulations:

a. The uniform Listing Agreements entered into by the Company, with BSE Limited.
b. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
c. The Secretarial Standards (SS - 1 and SS – 2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. Further, during the period under review the changes made in the Board were as per the provisions of the Companies Act, 2013 and SEBI Regulations.

Adequate Notice is given to all Directors to schedule the Board/Committee meetings. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines, etc. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that, during the period under review, Mr. Gopal Sharma, Company Secretary-cum-Compliance Officer has been appointed w.e.f 30thJune,2021. Further Mrs. Mina Agarwal, who had been appointed as the Additional Non Executive Independent Director has been regularized as Non Executive Independent Director in the 103rd Annual General Meeting of the Company.

We further report that, during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

For K. Arun & Co
Company Secretaries

Place:Kolkata
Date:26.05.2022

Yashraj Agarwalla
Partner
C.P. No.: 23365
UDIN: A062686D000399737

## AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

**To the Members of AI Champdany Industries Limited**

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited for the year ended 31st March 2022, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of the Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Regulations, 2015.

We state that all investor's grievances were redressed within 30 days of lodgement of grievance and as on 31.03.2022 no investor complaint is pending against the company as per the records maintained by the Stakeholders Relationship/Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **G Basu & Co.**
Chartered Accountants
FRN 301174E

G. Guha
Partner
Membership No: 054702
UDIN: 22054702AJZKUB8680

Place : Kolkata
Date: 30.05.2022

ANNEXURE III

**FORM AOC-1**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts)

| | | | |
|---|---|---|---|
| 1. | Sl. No. | : | 1 |
| 2. | Name of the subsidiary | : | Champdany Constructions Ltd. |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | : | Not Applicable |
| 4. | Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | : | Not Applicable |
| 5 | Share Capital | : | Rs. 810.20 lacs |
| 6 | Reserves & Surplus | : | Rs. 58.58" |
| 7 | Total Assets | : | Rs.1090.46" |
| 8 | Total Liabilities | : | Rs.221.69" |
| 9 | Investments | : | Rs. 16.18" |
| 10 | Turnover | : | Rs. 31.78" |
| 11 | Profit before taxation | : | Rs. (26.10) |
| 12 | Provision for taxation | : | Rs. (2.41) |
| 13 | Profit / (Loss) after taxation | : | Rs. (28.51) |
| 14 | Proposed Dividend | : | NIL |
| 15 | % of shareholding | : | 82% |

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year. : NIL

**Responsibilities**

The Board of Directors represents the interest of the Company's shareholders, in optimizing long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

**Independent Directors**

The Company has complied with the definition of Independence as per Regulation 16(b) of the Listing Regulations and according to the Provisions of section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

**Role of Independent Directors**

Independent Directors play important roles in deliberations at the board meetings and enrich the Company with their wide experience in the fields of finance, housing, accountancy, law and public policy. Combination of both, their field of expertise and boardroom practices, helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee have a majority of Independent Directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the Listing Regulations and as approved by the board, from time to time.

Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as Directors of the Company.

**Training of Independent Directors**

Whenever new Non-Executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organisation structure, our business, constitution, board procedures, inherent risks and management strategies.

The appointment letters of Independent Directors has been placed on the Company's website at www.jute-world.com.

**Performance Evaluation of Non-executive and Independent Directors**

The Board evaluates the performance of Non-Executive and Independent Directors every year. All the Non-Executive and Independent Directors are eminent personalities having wide experience and proven track record in the field of business, finance, industry and administration.

**Separate Meeting of the Independent Directors**

The Independent Directors held a Meeting on 14th February, 2022, without the attendance of Non-Independent Directors and members of Management in which items, inter alia, discussed/reviewed includes:

i) Review of performance of non-independent Directors and the Board as a whole;

ii) Review of performance of the Chairman of the Company, taking into account the views of Directors;

iii) Assessment of quality, quantity and timeliness of flow of information between the fuctional Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Meetings of the Board**

During the financial year ended 31st March 2022 Four Board meetings were held on 30th June 2021, 28th August, 2021, 14th November, 2021and 14th February, 2022.

**Audit Committee**

The Audit Committee of the Company has constituted pursuant to the provisions of Section 177of the Companies Act, 2013and the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

It has the following terms of reference and composition:

## Corporate Governance Report for the year ended 31stMarch 2022

To uphold the spirit of best and transparent business governance, the Company actively seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The company conducts business in a manner that is fair and transparent and also perceived to be such by others. In compliance with the requirement of Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI (LODR) Regulations, 2015) your company submits the Report on Corporate Governance as under.

**Company's Philosophy on Code of Governance**

The Company believes that good Corporate Governance strengthens the Investors trust and ensures long term relationship with other stakeholders which help the Company to achieve its objectives. The core values of Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The Company is committed to assimilate and adopt the best practices of corporate governance. The Company aims to attain the highest standards of corporate governance practices to enhance its value and value of its stakeholders.

**Board of Directors**

The Board of Directors comprised of Six Directors, out of which one is Promoter Non-Executive Director, one Whole Time Director, One Executive Director & CFO and three Non-Executive Independent Directors (including one woman Director).

The Directors are endowed with wide range of experience and skills. Brief profiles of the Directors, are set out elsewhere in the annual report. The composition of the board is in conformity with Regulation 26(1) of the Listing Regulations. As per the Listing Regulations, no Director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public listed companies in which he is a Director. All the Independent Directors qualify the conditions for being Independent Director as prescribed under Regulations. No Director is related to any Director. Further, the Board periodically reviews compliance reports of all laws applicable to the company and necessary steps are being taken to ensure the compliance in letter and spirit. The brief resume/details relating to Director seeking appointment/ re-appointment is furnished in the Annexure to the Notice of the ensuing Annual General Meeting.

The Details of composition of the Board , the attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) and also the number of other Directorships or Committee of which he is a Member/Chairman are as under:

| Name of the Director | DIN | Category | Attendance | | No. of Directorships and committee Memberships/Chairmanships in other companies | | |
|---|---|---|---|---|---|---|---|
| | | | Board Meetings | Last AGM | Other Directorships** | Committee Memberships | Committee Chairmanships |
| Mr. D. J. Wadhwa Chairman | 00046180 | Promoter Non-Executive | 4 | Yes | 3 | 2 | - |
| Dr. G. Goswami | 00024209 | Independent Non-Executive | 4 | Yes | 2 | 3 | 3 |
| Mr. N. Pujara | 00047803 | Whole Time Director | 4 | Yes | 4 | 3 | 3 |
| Mrs. Mina Agarwal | 06948015 | Independent, Non-Executive | 4 | YES | 3 | 1 | - |
| Mr.LJha | 08972636 | Executive Director& CFO | 4 | YES | - | - | - |
| Mr. Mrityunjoy Banerjee | 08600440 | Independent, Non-Executive | 4 | YES | 1 | 2 | - |

**Includes Directorship in both private limited companies and public limited companies.

Terms of references/scope of the Company audit committee inter alia include:

1. To oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. To recommendation for appointment, remuneration and terms of appointment the auditors of the company.
3. To Approve the transaction of the company with related parties.
4. To reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval with particular reference to;
   a. Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policy and practices and reason for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by the management.
   d. Significant adjustments made in the financial statement arising out of audit findings.
   e. Compliance with listing and other legal requirement relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.

Reviewing, with the management, the quarterly financial statements and annual financial statements before submission to the Board for approval

The Audit Committee also reviews such matters as considered appropriate by it or referred to it by the board.

**Composition, Meetings and Attendance:**

The Audit Committee of the Company comprises of Three Directors, two of whom are IndependentDirectors and All of them are expert in Corporate Finance, accounts and corporate laws. The Committee met Three times during the year, the details of which are given below. The Company Secretary is the Secretary of the Audit Committee. The terms of reference of the Audit Committee are as contained in Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015.

During the Financial year 2021-22 , three meetings of the Audit Committee were held on

| | | |
|---|---|---|
| 28/08/2021 | 14/11/2021 | 14/02/2022 |

| Name of the Director | Category | Number of Meeting Held | Number of Meeting Attended |
|---|---|---|---|
| Dr. G Goswami –Chairman, | Non-Executive, Independent | 3 | 3 |
| Mr. Mirtyunjoy Banerjee | Non-Executive, Independent | 3 | 3 |
| Mr. Nirmal Pujara | Whole Time Executive | 3 | 3 |

**Nomination and Remuneration Committee (NRC)**

**Composition:** The NRC Committee of the Board comprises of three Directors, two of them are Independent Directors, namely Dr. G Goswami, Chairman and Mr Mrityunjoy Banerjee, Member and one Promoter Non-Executive Director Mr. D J Wadhwa.

**Terms of Reference:** The Committee has been constituted to review/recommend/approve remuneration of the Managing Director/Chief Financial Officer, Company Secretary and other senior employees based on their performance.

The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board devising a policy on Board diversity; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Nomination and Remuneration Committee has formulated the criteria for Board evaluation.

**Meetings:** During the financial year ended 31stMarch 2022, One Nomination and Remuneration Committee meeting was held on 30th June, 2021.

**DETAILS OF REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR ENDED 31stMARCH 2022.**

The Company pays to its Non-Executive Directors remuneration by way of sitting fees and to its Executive Director / Managing / Whole Time Directors by way of salary and perquisites. Remuneration is paid as per approval of the Nomination & Remuneration Committee, Board of Directors and shareholders. The Board, on the recommendations of the Nomination & Remuneration Committee, approves the annual increment. The appointment / reappointment of Managing / Whole Time Directors are contractual and subject to termination by three months' notice in writing on either side.

Given below are the details of remuneration paid to Directors during the financial year 2021-22:

| Name of Director | Sitting Fees (Rs.) | Salary (Rs.) | Perquisites (Rs.) | Commission (Rs.) |
|---|---|---|---|---|
| 1.Mr. D J Wadhwa | 130,000/- | | NIL | NIL |
| 2. Mr. Nirmal Pujara | NIL | 900,000/- | NIL | NIL |
| 3. Mr. Lalanjee Jha | NIL | 1600,000/- | NIL | NIL |
| 4 Dr. Giridhan Goswami | 205,000/- | NIL | NIL | NIL |
| 5. Mr. Mrityunjoy Banerjee | 1,90,000- | NIL | NIL | NIL |
| 6.Mrs Mina Agarwal | 100,000/- | NIL | NIL | NIL |

**Stakeholders' Relationship Committee**

The Board has set up a Stakeholders' Relationship Committee consisting of one independent non-executive Director and one promoter non-executive Director and one executive Director as under:

i) Dr. G Goswami – Chairman (Independent non-executive Director)

ii) Mr.D J Wadhwa – Member (Promoter non-executive Director)

iii) Mr. N Pujara – Member (Executive Director)

During the financial year ended 31stMarch 2022, one Stakeholder's Relationship Committee meeting was held on 14th February 2022.

The detailed positions of the shareholders' complaints as on 31st March 2022 are as under:

a) Number of complaints received from Stock Exchange/SEBI – One

b) Number of complaints resolved/action taken – One

c) Number of Complaints pending as on 31st March,2022 –NIL

Investors' grievances are resolved expeditiously.

**Compliance Officer:**

Mr. Gopal Sharma was appointed as the Company Secretary & Compliance Officer w.e.f 30.06.2021

**General Body Meeting**

Location and time where the last three Annual General Meetings were held.

| Financial Year | Location of Meeting | Date | Time | No of Special Resolution Passed |
|---|---|---|---|---|
| 2018-19 | Bharatiya Bhasa Parishad<br>36A, Shakespeare Sarani<br>4th Floor, Kolkata – 700 017 | 13th August 2019 | 11-00 AM | 1 |
| 2019-20 | Through Video Conference(VC)/<br>other Audio Video means (OAVM ) | 30thDecember,2020 | 1-00 PM | 2 |
| 2020-21 | Through Video Conference(VC)/<br>other Audio Video means (OAVM ) | 30thSeptember,2021 | 12-30 PM | 3 |

There is no item in the Agenda of ensuing AGM which requires passing a Special resolution through Postal Ballot.

**Subsidiary**

The Company has one non-listed Indian Subsidiary Company i.e. Champdany Constructions Ltd. It is not a material subsidiary.

a) Financial Statement in particular the investments made by the Subsidiary Company are reviewed quarterly by the Audit Committee of the Company.

b) All minutes of the meetings of the Subsidiary Company are placed before the Company's Board Meeting regularly.

c) A statement containing all significant transactions and arrangements entered with Subsidiary Company is placed before the Company's Board.

**Disclosures on Related party transactions**

There were no transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length price are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interest that may have a potential conflict with the interest of the Company at large.

The material financial and commercial transactions where persons in management have personal interest, exclusively relate to transactions involving Key Management Personnel forming part of the disclosure on related parties referred to in Notes to Annual Accounts, which were reported to Board of Directors. The Register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for approval.

**Capital Markets**

The Company has complied with all the legal requirements related to Capital Markets during the year 2021-22.

**Whistle Blower policy**

The Company has in place an Employee concern (Whistle Blower) which is also available on the Company's website i.e. www.jute-world.com. No personnel have been denied access to the Audit Committee to lodge their grievances.

**Issue of Shares**

There have been no public issues, right issues or other public offerings during the year ended 31st March 2022. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

No presentations were made to Institutional Investors and analysts during the year.

**Means of Communication**

The unaudited quarterly and audited annual financial results along with the notes are normally published in one National English Newspaper (Financial Express) and one Bengali Newspaper (ArthikLipi) circulating in Kolkata, within 48 hours of approval by the Board and are faxed/intimated to Stock Exchange. The quarterly results of the Company are put on the web site of the Company after these are submitted to the Stock Exchange. Our web site address is www.jute-world.com.

**General Shareholders' information:**

**a) AGM date, time and venue**

| | |
|---|---|
| Day, Date, Time | Friday, 30th September, 2022 at 12.30 PM |
| and Venue | Through VC/OAVM |

**b) Financial Calendar 2022-23 (Tentative)**

The Financial Year of the Company is April 1 to March 31.

Tentative Financial Reporting for the Financial Year 2022-23 is as under:

| | |
|---|---|
| Result of Quarter ending 30th June 2022 | On or before August 14, 2022 |
| Result of Quarter ending 30th September,2022 | On or before November 14, 2022 |
| Result of Quarter ending 31st Decenber,2022 | On or before February 14, 2023 |
| Result of Quarter ending 31st March,2023 | On or before May 30, 2023 |
| Annual General Meeting for the year 2023 | On or before September 30, 2023 |

c) **Book Closure period:** From 23rd September, 2022to 30th September,2022 (both days inclusive).

d) **Listing on Stock Exchange**

The Company's Equity shares are listed on BSE Ltd. Annual Listing fees as prescribed have been paid to BSE Ltd for the year 2022-23.

**e) Scrip Code**

| | |
|---|---|
| Bombay Stock Exchange | Code |
| BSE LTD | 532806 |

**f) Stock price data**

BSE LTD (BSE)

| Month | High (Rs.) | Low (Rs.) |
|---|---|---|
| Apr'2021 | 11.00 | 8.49 |
| May'2021 | 13.89 | 9.74 |
| Jun'2021 | 18.00 | 11.88 |
| Jul'2021 | 17.90 | 14.50 |
| Aug'2021 | 16.85 | 13.70 |
| Sep'2021 | 16.92 | 13.32 |
| Oct'2021 | 16.60 | 13.30 |
| Nov'2021 | 16.63 | 13.30 |
| Dec'2021 | 19.47 | 14.06 |
| Jan'2022 | 22.20 | 16.90 |
| Feb'2022 | 22.55 | 16.00 |
| Mar'2022 | 22.65 | 17.45 |

**g) Registrar and Share Transfer Agents**

The Company has appointed M/s.MCS Share Transfer Agent Limited having its office at 383, Lake Gardens, 1st floor, Kolkata – 700045as Registrar for both demat and physical segment.

**h) Share Transfer System**

Shares in demat and physical form are being processed by the registrar on regular basis. Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

**I) Distribution of Shareholding as on 31 March 2022**

**Equity**

| Group of Shares | No. of Share-holders | % of share-holders | No. of Shares held | % of Total Shares |
|---|---|---|---|---|
| 1 to 500 | 3027 | 89.6358 | 209468 | 0.6811 |
| 501 to 1000 | 155 | 4.5899 | 108399 | 0.3525 |
| 1001 to 2000 | 90 | 2.6651 | 126621 | 0.4117 |
| 2001 to 3000 | 35 | 1.0364 | 85847 | 0.2971 |
| 3001 to 4000 | 12 | 0.3553 | 41481 | 0.1349 |
| 4001 to 5000 | 12 | 0.3553 | 53515 | 0.1740 |
| 5001 to 10000 | 10 | 0.2961 | 65511 | 0.2130 |
| 10001 to 50000 | 7 | 0.2073 | 142000 | 0.4617 |
| 50001 to 100000 | 4 | 0.1184 | 312404 | 1.0158 |
| 100001 and above | 25 | 0.7403 | 29608585 | 96.2761 |
| **GRAND TOTAL** | **3377** | **100.0000** | **30753831** | **100.0000** |

| 2% Preference Share | | | | |
|---|---|---|---|---|
| Group of Shares | No. of Share-holders | % of share holders | No. of Shares held | % of Total Shares |
| 1 to 500 | 69 | 72.6316 | 11010 | 0.0887 |
| 501 to 1000 | 7 | 7.3684 | 6,532 | 0.0526 |
| 1001 to 2000 | 5 | 5.2632 | 7,163 | 0.0577 |
| 2001 to 3000 | 2 | 2.1053 | 4,800 | 0.0387 |
| 3001 to 4000 | 3 | 3.1579 | 10,400 | 0.0838 |
| 4001 to 5000 | 1 | 1.0526 | 5,000 | 0.0403 |
| 5001 to 10000 | 1 | 1.0526 | 10,000 | 0.0805 |
| 10001 to 50000 | 1 | 1.0526 | 30,000 | 0.2416 |
| 50001 to 100000 | - | - | - | - |
| 100001 and above | 6 | 6.3158 | 12329448 | 99.3161 |
| **GRAND TOTAL** | **95** | **100.0000** | **12,414,353** | **100.0000** |

| 0.1% Preference Share | | | | |
|---|---|---|---|---|
| Group of Shares | No. of Share-holders | % of share holders | No. of Shares held | % of Total Shares |
| 1 to 500 | - | - | - | - |
| 501 to 1000 | - | - | - | - |
| 1001 to 2000 | - | - | - | - |
| 20001 to 3000 | - | - | - | - |
| 3001 to 4000 | - | - | - | - |
| 4001 to 5000 | - | - | - | - |
| 5001 to 10000 | - | - | - | - |
| 10001 to 50000 | - | - | - | - |
| 50001 to 100000 | - | - | - | - |
| 100001 and above | 3 | 100.00 | 13250000 | 100.00 |
| **GRAND TOTAL** | **3** | **100.0000** | **13,250,000** | **100.0000** |

**j) Categories of Shareholders as on 31 March 2022**

| | Equity | | | 2% Preference | | |
|---|---|---|---|---|---|---|
| Particulars | No. of Holders | Holding/ Shares held | % to Capital | No. of Holders | Holding/ Shares held | % to Capital |
| Promoters Group | 21 | 18112654 | 58.8956 | 5 | 9773156 | 78.7247 |
| Indian Financial Institutions/Banks | 28 | 2672582 | 8.6902 | 4 | 2558332 | 20.6078 |
| Central / State Government | 3 | 764 | 0.0025 | - | - | - |
| Foreign Institutional Investors | 2 | 1332 | 0.0043 | - | - | - |
| Bodies Corporate | 80 | 501154 | 1.6296 | 5 | 4400 | 0.0354 |
| Trust & Foundations | 1 | 10 | 0.0000 | - | - | - |
| NRI | 38 | 6170 | 0.0201 | - | - | - |
| Foreign Bodies Corporate | 2 | 8533332 | 27.7472 | - | - | - |
| Individual | 3202 | 925833 | 3.0105 | 81 | 78465 | 0.6321 |
| **Total** | **3377** | **30753831** | **100.0000** | **95** | **12414353** | **100.0000** |

**0.1% Preference**

| Particulars | No. of Holders | Holding/ Shares held | % to Capital |
|---|---|---|---|
| Promoters Group | 3 | 13250000 | 58.8956 |
| Indian Financial Institutions/Banks | - | - | - |
| Central / State Government | - | - | - |
| Foreign Institutional Investors | - | - | - |
| Bodies Corporate | - | - | - |
| Trust & Foundations | - | - | - |
| NRI | - | - | - |
| Foreign Bodies Corporate | - | - | - |
| Individual | - | - | - |
| **Total** | **3** | **13250000** | **100.0000** |

**k) Dematerialization of shares**

As on 31 March 2022, 62.05% of total holding of Equity Shares and 79.3784 % of total holding of 2% Preference Shares have been dematerialised.

**l) ISIN allotted by NSDL/CDSL to Shares of the Company:**

INE 768E01024 for Equity Share and INE768E04010 for 2% Preference Share

**m) Plant Location :**

As appearing on the first page of Annual Report

**n) Investors' Correspondence :**

For any assistance regarding transfer or transmissions of shares, change of address, non-receipt of dividends and Annual report, issue of duplicate share certificates, dematerialization and other query relating Shares of the Company investor may please write on the following address given below :

| | |
|---|---|
| **MCS Share Transfer Agent Ltd**<br>**Registrar & Transfer Agent**<br>Unit : AI Champdany Industries Ltd<br>383, Lake Gardens, 1st floor,<br>Kolkata-700045<br>Telephone: (033) 4072-4051 to 53,<br>Fax (033) 4072-4054 | **The Share Department**<br>**AI Champdany Industries Ltd**<br>25, Princep Street, Kolkata-700 072;<br>Telephone (033) 2237 7880 to 85;<br>Fax: (033) 2225 0221, 2236 3754 |

Shareholders, holding shares in electronic mode, should address all their correspondences to their respective Depository Participant.

**o) The Investors Education and Protection Fund**

The shareholders and other stakeholders are hereby informed that pursuant to provisions of Section 124(5) of the Companies Act, 2013, all dividends remaining unpaid/unclaimed for a period of 7 years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government.The company has already transferred to the IEPF unpaid/unclaimed dividend for the financial year ended 31 March 2008 which remained unpaid/unclaimed for a period of 7 years from the date they became due.

**p) Appointment/Re-appointment of Directors**

The individual details of Director seeking appointment /re-appointment at the ensuing Annual General Meeting of the Company are provided in the Annexure accompanying the notice of the Annual General Meeting.

**q) Auditors' certificate on Corporate Governance**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations and same is annexed to this report.

**r) CEO/CFO Certification**

The Whole Time Director and Chief Financial Officer of the Company has given Annual certification on financial reporting and internal controls to the Board in terms of regulation 17(8) of Listing Regulations.

**s) Code of Conduct:**

**a) Code of Conduct for Board of Directors and Senior Management**

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors and Senior Management of the Company.

**b) Company's Code of Conduct for prevention of Insider Trading**

The Company has adopted a Model Code of Conduct for prevention of Insider Trading in the shares and securities of the Company pursuant to the provisions of Insider Trading Regulations formulated by Securities and Exchange Board of India (SEBI). The Code, inter-alia, prohibits purchase/sale of shares of the Company by Directors, officers and designated employees while in possession of unpublished price sensitive information in relation to the Company. Company secretary was the Compliance Officer for the purpose of these regulations.

**Mandatory and non-mandatory requirements**

**(a) Status of Compliance of the mandatory requirements**

The Company has adopted/complied with all mandatory requirements on Corporate Governance.

**(b) Status of Compliance of the Non-mandatory requirements.**

The Company has not adopted non-mandatory suggestions relating to sending six-monthly information to each household of shareholders.

**Declaration by the Wholetime Director on the Code of Conduct:**

Pursuant to Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 I, Nirmal Pujara, Whole Time Director of AI Champdany Industries Ltd. declare that all the Board Members & Senior Executives of the company have affirmed their compliance with the Code of Conduct during the year ended 31stMarch 2022.

Place: Kolkata
Dated: 30.05.2022

**N. Pujara**
Wholetime Director
DIN : 00047803

**Certification under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Board of Directors

AI Champdany Industries Limited

25,Princep Street,

Kolkata – 700 072

We, Nirmal Pujara, Whole Time Director and Lalanjee Jha, Executive Director &Chief Financial Officer(CFO) of AI Champdany Industries Ltd do hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief:
   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies

D. We have indicated to the Auditors and Audit Committee that :
   1. There has been no Significant changes in internal control over financial reporting during the year;
   2. There has been no Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
   3. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

| | |
|---|---|
| L. Jha | N. Pujara |
| Executive Director & CFO | Whole Time Director |

Date: 30.05.2022

Place: Kolkata

## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF AI CHAMPDANY INDUSTRIES LIMITED
### Report on the Audit of the Standalone Financial Statements of AI Champdany Industries Limited

**Opinion**

We have audited the accompanying standalonefinancial statements of AI Champdany Industries Limited ("the Company"), which comprise the Balance Sheet as at 31stMarch 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in Equity and the cash flow statement for the year on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with 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 at31st March 2022, the profit/loss, comprehensive income/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted the audit of standalonefinancial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 the Chartered Accountants of India (ICAI) together with independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, 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 the basis for our audit opinion on the financial statements.

**Key Audit Matters**

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

| Key audit matter | How our audit addressed the key audit matters |
|---|---|
| **A.** We have determined the matters described below to be the key audit matters to be communicated in our report.**Revenue Recognition** .<br>Revenue from the sale of products is recognized at the moment when performance obligation of the underlying products have been completed and is measured net of discounts, incentives and rebates given to the customers.<br>The estimation of discounts, incentives and rebates recognized, related to sales made during the year, is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of inaccurate estimates of discounts, incentives and rebates.<br>Further, the company focuses on revenue as a key performance measure. Therefore, revenue was our area of focus included whether the accruals were misstated and appropriately valued, whether rebates and discounts was recorded in the correct period and whether the significant transactions had been accurately recorded in the Statement of Profit and Loss.<br>Refer corresponding note for amounts recognized as revenue from sale of products | **Our key procedures included the following:**<br>a) Assessed the appropriateness of the company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates by comparing with the applicable accounting standards;<br>b) Tested the operating effectiveness of the general IT control environment and key IT application controls over recognition of revenue, calculation of discounts, incentives and rebates;<br>c) Performed test of details:<br>i) Agreed samples of sales, discounts, incentives and rebates to supporting documentation and approvals; and<br>ii) Obtained supporting documents for sales transactions recorded either side of year end as well as credit notes issued after the year ended to determine whether revenue was recognized in the correct period.<br>d) Performed focused analytical procedures:<br>i) Compared the revenue for the current year with the prior year for variance/ trend analysis and where relevant, completed further inquiries and testing to corroborate the variances by considering both internal |

| | |
|---|---|
| | and external benchmarks, overlaying our understanding of industry; and<br>ii) Compared the discounts, incentives and rebates of the current year with the prior year for variance/ trend analysis and where relevant, completed further inquiries and testing to corroborate the variances by considering both internal and external benchmarks, overlaying our understanding of industry.<br>e) Considered the appropriateness of the company's description of the accounting policy, disclosures related to revenue, discounts, incentives and rebates and whether these are adequately presented in the financial statement. |
| **B. Litigations and claims –provisions and contingent liabilities**<br>As disclosed in Notes detailing contingent liability and provision for contingencies, the company is involved in direct, indirect tax and other litigations ('litigations') that are pending with different statutory authorities.<br>Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments.<br>The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently<br>subjective. | **Our key procedures included the following:**<br>• Assessed the appropriates of the company's accounting policies, including those relating to provision and contingent liability by comparing with the applicable accounting standards;<br>• Assessed the company process for identification of the pending litigations and completeness for financial reporting and also for monitoring of significant developments in relation to such pending litigations;<br>• Engaged subject matter specialists to gain an understanding of the current status of litigations and monitored changes in the disputes, if any, through discussions with the management and by reading external advice received by thecompany, where relevant, to establish that the provisions had been appropriately recognized or disclosed as required;<br>• Assessed the company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognized or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;<br>• Performed substantive procedures on the underlying calculations supporting the provisions recorded;<br>• Assessed the management's conclusions through understanding precedents set in similar cases; and<br>Considering the appropriateness of the company's description of the disclosures related to litigations and whether these adequately presented in the financial statements. |
| **C. Valuation of investments and impairment thereof**<br>I. Non-Current Investments in Unquoted equity instruments.<br><br>II. Current Investments in unquoted mutual funds.<br><br>III. Fixed Deposit with Bank. | **Our key procedures included the following:**<br>Verified with reference to latest registered valuers report;<br>Valuation report based on simple average of valuation of investee on EBIDTA concept, Revaluation concept, and Discounted cash flow concept.<br>Verified with reference to duly declared NAV of the investee.<br>Verified with reference to banks confirmation and computation of interest accrued thereon. |

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

The Company's Board of Directors is 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 Shareholders' 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.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cashflows of the companies in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the companies are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the companies 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, the Board of Directors of the company 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 is also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements.

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
   b) Inouropinion,properbooksofaccountasrequiredbylawrelatingtopreparationoftheaforesaidfinancial statements have been kept 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), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of written representations received from the directors as on **31stMarch, 2022** taken on record by the Board of Directors, none of the directors is disqualified as on **31stMarch, 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 1"**. Our report expresses an

unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the act read with Schedule-V of the act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given tous:

i. The financial statements disclose impact of pending litigations on the financial position of thecompany in note no. 26of financial statement.

ii. The company has not entered into long term contracts.

iii. There were no amount which were, required to be transferred, to the Investor Education and Protection Fund by the company.

iv. No fund has been advanced or loaned or invested by the company to or in any other entity or person including foreign entities or provide any guarantee or security as undertaken by the management.

v. No fund has been received by the company from any person or entity including foreign entity or provide any guarantee or security as undertaken by the management.

vi. Nothing has come to our notice that has caused us to believe that the representation under clause (iv) and (v) above contain any material mis-statement.

vii.No dividend or part was declared by company during the year as per Section 123 of Companies Act, 2013.

viii.The Company has been using such accounting software to maintain its books of accounts which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been presented by the company as per the Statutory Requirements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure 2"** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For **G Basu& Co.**
***Chartered Accountants***
**FRN 301174E**

**Place: Kolkata** **G Guha**
**Date: May 30, 2022** ***Partner***
**Membership No: 054702**
**UDIN No.:22054702AJXYLW6209**

## Annexure-1

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) referred to in Para V (2) (f) of our report of even date.

We have audited the internal financial controls over financial reporting of **AI CHAMPDANY INDUSTRIES LIMITED** (“the Company”) as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls over Financial Reporting” issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

### Emphasis of Matter

Debt control mechanism needs strengthening.

We hereby report without qualifying that Debt control mechanism needs strengthening.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over 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 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of un authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting in standalone perspective and such internal financial controls over financial reporting were operating effectively as at 31st 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.

For G Basu& Co.
Chartered Accountants
FRN 301174E

Place: Kolkata
Date: May 30, 2022

G Guha
Partner
Membership No: 054702
UDIN No.:22054702AJXYLW6209

## ANNEXURE 2

**Report on the matters specified in Paragraphs 3 and 4 of THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016, referred to in Para V (1) of our report of even date**

I. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.

c. The title deeds of immovable properties are held in the name of the Company.

II. The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of account.

III. The Company has not granted any Loans, Secured or Unsecured to Companies, Firms, Limited Liability Partnerships or Other parties covered in the register maintained under section 189 of the Companies Act, 2013.

IV. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of Loans, making Investments and providing guarantees and securities.

V. The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(V) of the Order is not applicable.

VI. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the company covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

VII.a) According to information and explanations given to us, the company is generally regular in depositing with statutory authorities undisputed statutory dues to the extent applicable to it except for some amount which could not be verified by us.

VII (b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, VAT, Goods & Service tax and others cess which have not been deposited as on31st March, 2022 on accounts of dispute are furnished below:

| Name of the Statute | Nature of dues | Forum where dispute is pending | Amount involved (Rs. in lacs) |
|---|---|---|---|
| Bhatpara Municipality | Municipal Tax & Land Revenue | Review Board | 188.55 |
| ESI Act | ESI dues | ESI Court | 328.01 |
| Central Sales Tax 1956 & West Bengal Sales Tax Act, 1994 | Sales Tax | ACCT<br>WBCTA & RB<br>SJCCT | 2.10<br>132.66<br>18.37 |
| Income Tax Act, 1961 | Income Tax | CIT (Appeal) | 7186.55 |
| | | ITAT | 8.37 |

VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any bank, financial institution or government. Company has no debenture holder or financial institutional borrowing during the year.

IX. No monies were raised by way of Initial Public Offer or Further Public Offer; Term Loans were applied for the purposes for which they were raised.

X. No fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

XI. The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V of the Act.

XII. The Company is not a Nidhi Company and accordingly paragraph 3 (XII) of the Order is not applicable.

XIII. All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of related parties transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

XIV. The company has not made any preferential allotment of shares during the year and hence reporting requirements of section 42 of the Companies Act, 2013 are not applicable to the company.

XV. The Company has not entered into any non-cash transaction with directors.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

XVII. The company has not incurred any cash losses for the current year.

XVIII. There has been no resignation of the statutory auditors during the period.

XIX. No material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of Balance Sheet.

XX. a) The requirement for transferring unspent amount of other than ongoing projects, by the company to a Fund specified in Schedule VII of the Companies Act, 2013 within a period of time was not required.

b) The requirement for transferring unspent amount of ongoing projects, by the company under Section 135(5) to a Special Account was not required.

XXI. There has been no qualification or adverse remarks by the Auditor.

**For G.Basu & Co.**
**Chartered Accountants**
**FRN 301174E**

**G Guha**
**Partner**
**Membership No.054702**

**Place : Kolkata**
**Date : 30.05.2022**
UDIN No.:22054702AJXYLW6209

# AI CHAMPDANY INDUSTRIES LIMITED
## STANDALONE BALANCE SHEET AS AT 31 ST MARCH 2022

**Rs. in lacs**

| | | Note | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| I | **Non-current Assets** | | | |
| | (a) Property,Plant and Equipment | 2 | 5,722.74 | 6,046.06 |
| | (b) Capital work in progress | | 857.12 | 942.51 |
| | (c ) Investment Property (Free hold land) | | 753.39 | 753.39 |
| | (d) Financial Assets- | | | |
| | i)Investments | 3 | 731.65 | 720.19 |
| | ii)Fixed Deposits with Banks (Maturing after 12 months) | | 500.00 | 500.00 |
| | **(e)Other Non Current Assets** | 4 | 32.76 | 39.31 |
| | **Total Non - Current Assets** | | **8,597.67** | **9,001.46** |
| II | **Current Assets** | | | |
| | a)Inventories | 5 | 15,096.23 | 15,190.22 |
| | b) Financial Assets | | | |
| | i)Trade Recievables | 6 | 1,444.85 | 1,523.21 |
| | ii)Cash and Cash Equivalents | 7 | 26.86 | 31.37 |
| | iii)Bank Balance other than (ii) above (including FD maturity within 3 to 12 months) | | 464.21 | 16.63 |
| | iv) Loans | 7A | 211.87 | 211.87 |
| | v) Others | 7B | 4,231.85 | 4,216.71 |
| | c) Current Tax Assets | 7C | 153.92 | 141.89 |
| | d) Other Curent Assets | 8 | 904.78 | 961.86 |
| | **Total Current Assets** | | **22,534.57** | **22,293.76** |
| | **TOTAL ASSETS** | | **31,132.24** | **31,295.21** |
| | **EQUITY AND LIABILITIES** | | | |
| | a) Equity Share Capital | 9 | 1,537.69 | 1,537.69 |
| | b) Other Equity | 10 | 5,386.31 | 5,255.44 |
| | **Total Equity** | | **6,924.00** | **6,793.13** |
| | **LIABILITIES** | | | |
| I | **Non - Current Liabilities** | | | |
| | **(a)Financial liabilities** | | | |
| | i) Borrowings | 11 | 2,576.26 | 2,873.45 |
| | ii) Lease liabilities | | 0.23 | 0.26 |
| | iii) Other financial liabilities | 12 | 11,518.23 | 10,747.79 |
| | (b) Deferred Tax Liability (Net) | 13 | 209.27 | 438.06 |
| | (c) Other Non Current Liabilities | 13A | 1,500.00 | - |
| | **Total Non - Current Liabilities** | | **15,804.00** | **14,059.56** |
| II | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | i) Borrowing | 14 | 3,852.57 | 4,711.13 |
| | ii)Trade Payables | | | |
| | Total outstanding dues of Micro Enterprises & Small Enterprises | | - | - |
| | Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | 15 | 3,456.68 | 3,769.54 |
| | iii) lease liabilities | | 0.02 | 0.03 |
| | iv) Other Financial Liabilities | 16 | 77.66 | 223.22 |
| | (b) Other Current Liabilities | 17 | 548.72 | 739.81 |
| | (c) Provisions | 18 | 468.58 | 998.80 |
| | **Total Current Liabilities** | | **8,404.24** | **10,442.53** |
| | **TOTAL EQUITY AND LIABILITIES** | | **31,132.24** | **31,295.21** |
| | Significant Accounting Policies | 1 | | |

Accompanying notes form an integral part of the financial statements .

On behalf of the Board

In terms of our report of even date attached
For G.Basu & Co.
Chartered Accountants
FRN 301174E

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. :- 22054702AJXYLW6209

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

## AI CHAMPDANY INDUSTRIES LIMITED
## STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

**Rs. in lacs**

| | | Notes | Year ended 2021-22 | Year ended 2020-21 |
|---|---|---|---|---|
| I | Revenue from Operations | 19 | 4,405.43 | 6,635.89 |
| II | Other Income | 20 | 504.77 | 558.42 |
| III | Total Income | | **4,910.20** | **7,194.31** |
| IV | EXPENSES | | | |
| | Cost of Materials Consumed | | 2,089.32 | 3,000.73 |
| | Purchase of Stock-in- Trade | | 212.90 | 580.33 |
| | Changes in Inventories of Finished Goods, Work-in Progress and Stock in Trade | 21 | 125.38 | (80.64) |
| | Employee Benefits Expense | 22 | 1,444.16 | 3,012.98 |
| | Finance Cost | 23 | 585.21 | 590.01 |
| | Depreciation and Amortization Expenses | | 336.25 | 355.40 |
| | Other Expenses | 24 | 809.60 | 1,465.71 |
| | Total Expenses | | 5,602.81 | 8,924.53 |
| V | Profit/(Loss) Before Exceptional Items and tax | | (692.61) | (1,730.22) |
| VI | Exceptional Items | | | |
| VII | Profit/(Loss) Before Tax | | (692.61) | (1,730.22) |
| VIII | Tax Expenses | | | |
| | Current Tax | | | - |
| | MAT Credit Available | | | - |
| | Current Wealth Tax | | | - |
| | Adjustment relating to earlier years (Taxes) | | | - |
| | Total current tax expense | | | - |
| | Deferred Tax(Income)/Expense | | (386.30) | 18.30 |
| | Total tax expense | | (386.30) | 18.30 |
| IX | Profit/(Loss) for the Period/year | | (306.31) | (1,748.52) |
| X | Other Comprehensive Income | | | |
| | i)Items that will be reclassified to profit/(loss) | | | - |
| | ii)Tax relating to Items that will be reclassified to profit/(loss) | | | - |
| | iii)Items that will not be reclassified to profit/(loss) | | 614.84 | 1,064.20 |
| | iv)Tax relating to Items that will not be reclassified to profit/(loss) | | (157.51) | (275.04) |
| | Total other comprehensive Income | 20A | 457.33 | 789.16 |
| XI | Total comprehensive Income | | 151.02 | (959.35) |
| XII | Earnings per share (face value of Rs 5 each) | 24A | | |
| | Basic and Diluted (Rs) | | (1.04) | (5.73) |
| | Significant Accounting Policies | 1 | | |

Accompanying notes form an integral part of the financial statements .

On behalf of the Board

In terms of our report of even date attached
For G.Basu & Co.
Chartered Accountants
FRN 301174E

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. :- 22054702AJXYLW6209
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

# AI CHAMPDANY INDUSTRIES LIMITED
## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

**Rs in lacs**

| | Particulars | 31.03.2022 | | 31.03.2021 |
|---|---|---|---|---|
| A | **Cash flow from Operating activities :** | | | |
| | Profit/(Loss) before Taxation | | (692.61) | (1,730.22) |
| | Add:- Adjustments for : | | | |
| | Retirement Benefits | - | | 185.78 |
| | Profit on Sale of CWIP | (350.09) | | |
| | Depreciation and Amortisation | 336.25 | | 355.40 |
| | Dividend from Investments | (0.23) | | - |
| | Foreign Currency Fluctuation | - | | 0.39 |
| | Interest Expense | 585.21 | | 524.77 |
| | Interest Income | (98.30) | | (36.39) |
| | Subsidy amortised | - | | (3.70) |
| | | | 472.84 | |
| | Operating Profit/(Loss) before Working Capital Changes | | (219.76) | (703.97) |
| | Add/(Less):- Adjustments for : | | | |
| | (Increase)/Decrease in Inventories | 93.99 | | (60.95) |
| | (Increase)/Decrease in Trade and Other Receivables | (315.23) | | (109.58) |
| | (Decrease)/Increase in Trade Payables and other Liabilities | 349.21 | | (333.63) |
| | | | 127.97 | (504.16) |
| | Cash Generated from Operations : | | (91.78) | (1,208.13) |
| | Direct Taxes | | (5.49) | (27.75) |
| | Net Cash from / (used in) Operating Activities | | (97.27) | (1,235.86) |
| B | **Cash flow from Investing Activities :** | | | |
| | Purchase of Fixed Deposits | - | | (100.00) |
| | (Purchase)/Sale of Fixed Assets | (29.67) | | - |
| | Proceed from Sale of CWIP | 435.47 | | |
| | Advance against Capital Asset | 1,500.00 | | |
| | Interest Received | 82.73 | | 10.20 |
| | Dividend Received | 0.23 | | - |
| | Net Cash from / (used in) Investing Activities | | 1,988.76 | (89.81) |
| C | **Cash flow from Financing Activities :** | | | |
| | Proceedes from borrowings | (452.23) | | 637.73 |
| | Interest Paid | (585.21) | | (553.78) |
| | Net Cash from / (used in ) Financing Activities | | (1,037.44) | 83.95 |
| | Net increase / (decrease) in Cash and Cash Equivalents (A+B+C) | | 854.05 | (1,241.73) |
| | Cash and Cash Equivalents (Opening Balance) | | (4,679.76) | (3,438.03) |
| | Cash and Cash Equivalents (Closing Balance) | | (3,825.71) | (4,679.76) |
| | Cash and Cash Equivalents | | | |
| | a)Note no:7 | | 26.86 | 31.37 |
| | b)Standing credit facility- note no:14 | | (3,852.57) | (4,711.13) |
| | Cash and Cash Equivalents | | (3,825.71) | (4,679.76) |

Accompanying notes form an integral part of the financial statements .

On behalf of the Board

In terms of our report of even date attached
For G.Basu & Co.
Chartered Accountants
FRN 301174E

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. :- 22054702AJXYLW6209
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

**AI CHAMPDANY INDUSTRIES LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH31, 2022**

**A. Equity Share Capital** **Rs in lacs**

| Balance as at March 31,2021 | Changes in Equity share capital during the year | Balance as at March 31,2022 |
|---|---|---|
| 1537.69 | - | 1537.69 |
| Balance as at March 31,2020 | Changes in Equity share capital during the year | Balance as at March 31,2021 |
| 1537.69 | - | 1537.69 |

**B. Other Equity** Rs in lacs

| Particulars | Security Premium Reserve | Capital Reserve | Capital Redemption Reserve | Revaluation Reserve | General Reserve | Retained Earnings | Equity Instruments through OCI | Total |
|---|---|---|---|---|---|---|---|---|
| **For Financial Year 2020-2021** | | | | | | | | |
| Balance as on 01.04.20 | 3,754.89 | 27.64 | 250.00 | 2,149.85 | 2,834.00 | (2,816.08) | 32.44 | 6,232.74 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | - | (3.70) | | (14.25) | | | | (17.95) |
| Non Current Instrument | | | | | | | 9.49 | 9.49 |
| (Routed through OCI) | | | | | | | | - |
| Actuarial Impact on gratuity | | | | | | 779.67 | | 779.67 |
| (Routed through OCI) | | | | | | - | | - |
| Profit for the year | | | | | | (1,748.52) | | (1,748.52) |
| **Balance as on 31.03.21** | **3,754.89** | **23.94** | **250.00** | **2,135.60** | **2,834.00** | **(3,784.93)** | **41.93** | **5,255.44** |
| **For Financial Year 2021-2022** | | | | | | | | |
| Balance as on 01.04.21 | 3,754.89 | 23.94 | 250.00 | 2,135.60 | 2,834.00 | (3,784.93) | 41.93 | 5,255.44 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | | (3.70) | | (16.44) | | | | (20.14) |
| Non Current Instrument | | | | | | | 10.83 | 10.83 |
| (Routed through OCI) | | | | | | | | - |
| Actuarial Impact on gratuity | | | | | | 446.50 | | 446.50 |
| (Routed through OCI) | | | | | | | | - |
| Profit for the year | | | | | | (306.31) | | (306.31) |
| **Balance as on 31.03.22** | **3,754.89** | **20.24** | **250.00** | **2,119.16** | **2,834.00** | **(3,644.74)** | **52.76** | **5,386.31** |

On behalf of the Board

For G.Basu & Co.
Chartered Accountants
FRN 301174E

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. :- 22054702AJXYLW6209
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

**AI CHAMPDANY INDUSTRIES LIMITED**

**Standalone Segmentwise revenue, results, assets and liabilities for the year ended March 31,2022**

**Rs. in lacs**

| **Sl. No.** | **Particulars** | **31.03.2022 Audited** | **31.03.2021 Audited** |
|---|---|---|---|
| 1 | **Segment Revenue** | | |
| | a. Jute/ Jute Diversified Products /securities &Services | 3,310.37 | 6,118.01 |
| | b. Flax Products | 1,095.06 | 517.88 |
| | Revenue from operations | 4,405.43 | 6,635.89 |
| 2 | **Segment Results** | | |
| | a. Jute/ Jute Diversified Products & Services | (633.79) | (972.29) |
| | b. Flax products | 21.63 | (380.36) |
| | Sub total | (612.16) | (1,352.65) |
| | Less : Finance costs | 585.21 | 590.01 |
| | Less: Un-allocable expenditure net off un-allocable (income)/expenditure | (504.77) | (212.45) |
| | | (692.61) | (1,730.22) |
| | Exceptional Items | - | - |
| | Profit/(Loss) before tax | (692.61) | (1,730.22) |
| | Less:Tax expenses | (386.30) | 18.30 |
| | Net Profit/(Loss) for the period / year | (306.31) | (1,748.52) |
| | i)Items that will be reclassified to profit/(loss) | - | - |
| | II)Tax relating to Items that will be reclassified to profit/(loss) | - | - |
| | iii)Items that will not be reclassified to profit/(loss) | 614.84 | 1,064.20 |
| | iv)Tax relating to Items that will not be reclassified to profit/(loss) | (157.51) | (275.04) |
| | Total Comprehensive Income | 151.03 | (959.35) |
| 3 | **Segment Assets** | | |
| | a. Jute/ Jute Diversified Products & Services | 26,459.06 | 26,402.70 |
| | b. Flax products | 3,754.84 | 3,991.13 |
| | c. Unallocated Assets | 918.34 | 901.38 |
| | Total | 31,132.24 | 31,295.21 |
| 4 | **Segment Liabilities** | | |
| | a. Jute/ Jute Diversified Products & Services | 19,238.87 | 20,399.17 |
| | b. Flax products | 4,111.72 | 3,573.60 |
| | c. Unallocated Liabilities | 857.63 | 529.30 |
| | Total | 24,208.23 | 24,502.09 |

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

All the other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

**2.7. Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in best of their economic interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs of lowest level that is significant to fair value measurement are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs of lowest level that is significant to fair value measurement are unobservable for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuer is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and maintenance of professional standards.

Transfer of assets and liabilities (recognized on recurring basis), if occurs between the levels of hierarchy are determined by re-assessing categorization (based on lowest level input that is significant for fair value measurement as a whole) at the end of each reporting period.

The company determines policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value and non-recurring measurement such as assets held for distribution in discontinued operation.

**2.8. PRINCIPLES OF CONSOLIDATION:**

(a) Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH 2022**

**1. Significant Accounting Policies to the Financial Statements for the year ended 31st March 2022**

**1.1. CORPORATE AND GENERAL INFORMATION**

The Parent Company,AI Champdany Industries Ltd. ("the Company") is a public limited company domiciled in India and has its listing on the BSE Limited. The company assumed its present status including name in 2006 after series of merger, the oldest of the parties to merge being Champdany Jute Company Ltd. established in 1873. The Company belongs to a renowned industrial house of Kolkata, the "Wadhwa Group" which took over controlling stake in 1967 from foreign management. The registered office of the Company is situated in Kolkata. The Company's principal business is manufacturing and trading of jute products. The parent has only one subsidiary named Champdany Constructions Limited. The group has no associate or jointly controlled entity.

**2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT**

**2.1. Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet since 1st April, 2016 i.e the "First Time Adoption of Indian Accounting Standards" under IND AS-101.

**2.2. Basis of Measurement**

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities are measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Derivative Financial Instruments are measured at fair value;
- Defined Benefit Plans – plan assets are measured at fair value.

**2.3. Functional and Reporting Currency**

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

**2.4. Use of Estimates and Judgements**

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**2.5. Presentation of Financial Statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division-II of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, and various stipulation of Ind AS are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

**2.6. Operating Cycle for current and non-current classification**

All assets and liabilities have been classified as current and non-current depending on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS-1.The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

to, or has rights to, variable returns from investment with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully standalone from the date on which control is transferred to the group. It is destandalone from that date that control ceases.

(b) Proportionate Networth of Subsidiaries belonging to minority Shareholders is accounted for under non controlling interest.

(c) The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income & expenses. Intercompany transactions, balances & unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides the evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.

(d) Standalone herein is the accounts of Champdany Construction Ltd., a wholly owned subsidiary is situated at 33,Chittaranjan Avenue , Kolkata- 700012

## 3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### 3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of sale.

Cost formulae are as follows:

| **Particulars** | **Cost Formula** |
|---|---|
| Raw Material, Consumable Stores & Spares, | Weighted average basis. |
| Stock-in-trade | On FIFO basis |
| Finished Goods & Work-in-Progress | At cost of input (on FIFO basis) plus labour and related manufacturing overhead including depreciation. |
| Scrap Materials<br>Securities | At net realizable value.<br>On FIFO basis |

### 3.2. 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 change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. However, Bank overdrafts are shown within short term borrowings in the balance sheet.

### 3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that these relate to items recognised in other comprehensive income or directly attributable to equity. In these cases, the tax is also recognised in other comprehensive income or in statement of change in equity, respectively.

#### 3.3.1.Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates applicable to the reporting period.

#### 3.3.2.Deferred Tax

- Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized using balance sheet approach on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in statement of change in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**3.4. PROPERTY, PLANT AND EQUIPMENT**

3.4.1.Tangible Assets

3.4.1.1.Recognition and Measurement:

- Property, plant and equipment & Investment Property have been carried under cost model.
- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet under cost model i.e.cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Such costs include borrowing cost if recognition criteria are met.
- If significant parts of an item of property, plant and equipment including their major components have different useful lives, then they are accounted for as separate items of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

**3.4.1.2.Subsequent Measurement:**

 Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

**3.4.1.3.Depreciation and Amortization:**

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the asset and useful life of that part is different from the remaining useful life of the asset, depreciation is provided thereon on straight line method based on internal assessment and independent technical evaluation carried out by external valuer.

- Depreciation on additions/disposals during the year is provided on pro-rata basis depending on the usage period of asset since/upto the date of installation/disposal.
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**3.4.1.4.Disposal of Assets**

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

**3.4.1.5.Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

**3.5. LEASES**

3.5.1.Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself) is treated as finance lease.

No lease deal in which the company is a party as lessor is recognized as finance lease unless lease period is by an large commensurate with the life span of the assets given on lease in terms of schedule II of the Companies Act, 2013.

Lease arrangement of any other nature is treated as operating lease.

3.5.2.In case of finance lease, the value of concerned noncurrent assets / liability is determined at the point of commencement of lease by way of adding initial payment with discounted value of future lease installment during life span of lease in terms of interest rate implicit in the lease or incremental borrowing rate, if the former is not practicable to determine.

3.5.3.Expenses/Income under operating lease are more or less same as that of rental income/payment accounted for on accrual basis unless an escalation clause forms integral part of lease agreement in which case income booking is appropriately averaged.

3.5.4.Depreciation on leasehold assets is provided on straight line method over the period of lease.

**3.6. RECOGNITION OF INCOME AND EXPENSES**

3.6.1.Revenue from Contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. This variable consideration is estimated based on the expected valueof outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**3.6.2.Sale of Products:**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of products is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

3.6.3.Sales are measured at the fair value of consideration received or receivable. Sales recognized is net of GST, intermediary sales, rebates.

3.6.4.Dividend for distribution is accounted for at the point of approval by relevant authority with due disclosure in financial statements of dividend declared/recommended/proposed pending distribution.

3.6.5.Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

3.6.6.Dividend income is accounted when the company's right to receive the payment is established, which is generally when the appropriate authority approves the dividend.

**3.7. EMPLOYEE BENEFITS**

**3.7.1.Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. 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 employees' services up to the end of the reporting period.

**3.7.2.Other Long Term Employee Benefits**

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

**3.7.3.Post Employment Benefits**

The Company operates the following post employment schemes:

- Defined Contribution Plan

  Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

- Defined Benefit Plans (Gratuity)

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Re-measurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

**3.8. GOVERNMENT GRANTS**

Government grant are recognized at their fair value, 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 period that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

**3.9. FOREIGN CURRENCY TRANSACTIONS**

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of

monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

**3.10.BORROWING COSTS**

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

**3.11.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.

**3.11.1.Financial Assets**

- **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition as financial assets measured at fair value or financial assets at amortized cost.

- **Classification and Subsequent Measurement:**

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

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
- Business Model Test
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- Cash Flow Characteristic Test.
- The contractual terms of the financial 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 (EIR) method.Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
- o Business Model Test:

- ➢ The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

o **Cash Flow Characteristic Test:**

- ➢ The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

o Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

- ➢ Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- ➢ **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**3.11.2.Financial Liabilities**

- ➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. 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.

- ➢ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- ➢ **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

**3.15.Intangible Assets**

**3.15.1.Intangible Assets are initially recognized at:-**

1) In case the assets are acquired separately, then at cost
2) In case the assets are acquired in a business combination then at fair value.
3) In case the assets are internally generated then at capitalized development cost subject to satisfaction of criteria of recognition (identifiability, control and future economic benefit) laid down from clause 11 to 17 of IND AS 38.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

3.15.2.Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with infinite useful life including goodwill are tested for impairment annually.

3.15.3.Intangible assets with finite useful life are amortized over the useful economic life on a straight line basis.

3.15.4.Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

**3.16.Non-Current Assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present **condition subject only to terms** that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

**3.17.Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified two reportable segmentsi.e. Jute/Jute diversified products & Services & ‘flax products’ based on the information reviewed by the CODM

**3.18.Business Combination under IND AS-103 and Consolidation under IND AS-110**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group control an entity when the Group is exposed to, for has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully standalone from the date on which control is transferred to the Group. They are destandalone from the date that control ceases. Statement of profit and loss (including other comprehensive income (“OCI”)) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intercompany transactions, balances and un-realized gains/losses on transactions between group Companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The stake of outside shareholders in equity (including reserves and surplus) of subsidiaries appear under the head of non-controlling interest in terms of their proportionate stake in equity.

is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

➢ **Derecognition:**

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

**3.11.3.Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

**3.11.4.Derivative financial instruments:**

The Company deals in derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**3.12.Earnings Per Share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders bythe weighted average number of equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potentialequity shares by the weighted average number of equity shares outstanding during the year plus the weighted averagenumber of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**3.13.Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be **impaired. An** asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**3.14.Provisions, Contingent Liabilities and Contingent Assets**

**3.14.1.Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**3.14.2.Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

**3.14.3.Contingent Assets**

**4. RECENT ACCOUNTING PRONOUNCEMENTENTAILING INSERTION/MODIFICATION OF NEW/EXISTING STANDARDS**

a. IND AS 116, Lease Accounting – Newly inserted in supersession of IND AS 17 relating to treatment of lease- financial as well as operating.

b. IND AS 12, Income taxes- on application of appendix C on uncertainty over income tax treatments.

c. IND AS 23, Borrowing Costs- Laying down specific borrowing costs to be considered for capitalization.

d. IND AS 109, Financial Instruments- On treatment of prepayment features with negative compensation.

e. IND AS 19, Employee Benefits- Dealing with plan amendment, curtailment or settlement pertaining to defined benefit plan.

**5. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

➢ **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

➢ **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

➢ **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

➢ **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

➢ **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost or fair value annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

➢ **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

➢ **Fair value measurement of financial Instruments:**When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

➢ **Sales Return:** The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

**2. Property, Plant and Equipment**

**a) for year ended on 31March 2022** **Rs in lacs**

| | GROSS BLOCK AT COST / VALUATION | | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|
| **Particulars of Assets** | **As at 1 'April 2022** | **Additions during the year** | **Sales / Adjustments during the year** | **As at 31 Mar 2022** | **As at 1 'April 2021** | **For the year** | **As at 31 Mar 2022** | **As at 31 Mar 2022** | **As at 31 Mar 2021** |
| Freehold Land | 1,597.90 | - | - | 1,597.90 | - | - | - | 1,597.90 | 1,597.90 |
| Leasehold Land | 27.37 | - | - | 27.37 | 2.89 | 0.57 | 3.46 | 23.91 | 24.48 |
| Buildings | 1,168.14 | - | - | 1,168.14 | 276.19 | 58.80 | 334.99 | 833.15 | 892.05 |
| Plant & Equipment * | 3,103.43 | 230.34 | - | 3,333.77 | 1,642.85 | 291.07 | 1,933.92 | 1399.85 | 1,460.78 |
| Vehicles | 15.49 | - | - | 15.49 | 8.66 | 1.63 | 10.29 | 5.20 | 6.83 |
| Furniture and Fixtures | 5.54 | - | - | 5.54 | 2.80 | 0.15 | 2.95 | 2.59 | 2.74 |
| Office Equipments | 7.42 | - | - | 7.42 | 3.32 | 0.47 | 3.79 | 3.63 | 4.10 |
| Non Serviceable Fixed Assets | 2,057.18 | - | 200.67 | 1,856.51 | - | - | - | 1,856.51 | 2,057.18 |
| **Total** | **7,982.46** | **230.34** | **200.67** | **8,012.14** | **1,936.70** | **352.69** | **2,289.40** | **5,722.74** | **6,046.06** |
| Capital work in progress | 942.51 | - | 85.38 | 857.12 | | | | 857.12 | 942.51 |

**b) As at 31 March 2021** **Rs in lacs**

| | GROSS BLOCK AT COST / VALUATION | | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|
| **Particulars of Assets** | **As at 1 'April 2020** | **Additions during the year** | **Sales / Adjustments during the year** | **As at 31 Mar 2021** | **As at 1 'April 2021** | **For the year** | **As at 31 Mar 2021** | **As at 31 Mar 2021** | **As at 31 Mar 2020** |
| **Freehold Land** | **1,597.90** | **-** | **-** | **1,597.90** | **-** | **-** | **-** | **1,597.90** | **1,597.90** |
| Leasehold Land | 27.37 | - | - | 27.37 | 2.32 | 0.57 | 2.89 | 24.48 | 25.05 |
| Buildings | 1,168.14 | - | - | 1,168.14 | 219.89 | 56.30 | 276.19 | 892.05 | 948.25 |
| Plant & Equipment | 3,103.43 | - | - | 3,103.43 | 1,332.40 | 310.45 | 1,642.85 | 1,460.78 | 1,771.03 |
| Vehicles | 15.49 | - | - | 15.49 | 7.03 | 1.63 | 8.66 | 6.83 | 8.46 |
| Furniture and Fixtures | 5.54 | - | - | 5.54 | 2.62 | 0.18 | 2.80 | 2.74 | 2.92 |
| Office Equipments | 7.42 | - | - | 7.42 | 2.80 | 0.52 | 3.32 | 4.10 | 4.62 |
| Non Serviceable Fixed Assets | 2,057.18 | - | - | 2,057.18 | | | - | 2,057.18 | 2,057.18 |
| Total | 7,982.46 | - | - | 7,982.46 | 1,567.06 | 369.64 | 1,936.70 | 6,046.06 | 6,415.41 |
| Capital work in progress | 942.51 | - | - | 942.51 | | | - | 942.51 | 942.51 |

Fair valuof investment property based on last valuation report is Rs 36420.15 lacs which is subject to revaluation in each 5 years.

| 7A Loans | 31.03.2022 | Rs in lacs 31.03.2021 |
|---|---|---|
| Security Deposit | | |
| Unsecured Considered good | 211.87 | 211.87 |
| | 211.87 | 211.87 |

| 7B Others | 31.03.2022 | Rs in lacs 31.03.2021 |
|---|---|---|
| Claim receivable | 4,048.05 | 4,044.95 |
| Derivative instruments | - | 3.53 |
| Interest Accured on Fixed Deposit | 183.80 | 168.23 |
| | 4,231.85 | 4,216.71 |

| 7C Current Tax Assets | 31.03.2022 | Rs in lacs 31.03.2021 |
|---|---|---|
| Advance payment of Taxes | 153.92 | 141.89 |

| 8 Other current assets | 31.03.2022 | Rs in lacs 31.03.2021 |
|---|---|---|
| Prepaid expenses | 134.21 | 137.90 |
| Advance to employees | 7.88 | 9.37 |
| Other Loans and Advances | 628.07 | 679.98 |
| Deposit with Goverment Authorities | 134.61 | 134.61 |
| | 904.78 | 961.86 |

**9 SHARE CAPITAL**

Rs in lacs

| | | Par Value Rs | 31.03.2022 | 31.03.2021 |
|---|---|---|---|---|
| **i)Authorised** | | | | |
| 31,000,000 | Equity Shares | 5 | 1,550.00 | 1,550.00 |
| 13,250,000 | 0.1% Preference Shares | 10 | 1,325.00 | 1,325.00 |
| 12,500,000 | 2% Preference Shares | 5 | 625.00 | 625.00 |
| | | | **3,500.00** | **3,500.00** |

| | Par Value | | 31.03.2022 | Par Value | | 31.03.2021 |
|---|---|---|---|---|---|---|
| **ii)Equity share capital** | | | | | | |
| **Issued,Subscribed and fully paid** | | | | | | |
| 30753831(27,420,831) Equity Shares | 5 | | 1,537.69 | 5 | | 1,537.69 |
| 12,414,353 2% Peference Shares | 5 | 620.72 | | 5 | 620.72 | |
| Less: Transferred to Non current Borrowings | | 620.72 | - | | 620.72 | - |
| 1,32,50,000 0.1% Peference sShares | 10 | 1,325.00 | | 10 | 1,325.00 | |
| Less: Transferred to Non current Borrowings | | 1,325.00 | - | | 1,325.00 | - |
| | | | **1,537.69** | | | **1,537.69** |

i) Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

ii) The company has alloted 12,414,353 non-convertible 2% Cumulative Preference Shares of Rs 5 each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotement with a locking period of 3 years. Preference shareholders are entitled to get fixed rate of dividend in preference to the equity share but are not entitled to vote at General Meeting of the Company unless dividend has been in arrears for the prescribed minimum period.

iii) The company has alloted 1,32,50,000 non-convertible 0.1% Non-Cumulative Preference Shares of Rs 10 each on 20.02.2020 which are redeemable at the end of 20 years at par.

iv) Pursuant to Section 13, 61 and all other applicable provisions, under the Companies Act, 2013 the Authorised capital of the Company comprising of 4,00,00,000 Equity shares of Rs. 5 each , 30,00,000 7% Cumulative Preference Shares of Rs. 10 each and 2,40,00,000 2% Cumulative Preference Shares of Rs. 5 each has been reclassified to 3,10,00,000 Equity Shares of Rs. 5 each and 1,25,00,000 2% Cumulative Preference Shares of Rs. 5 each and 1,32,50,000 0.1% preference shares of Rs. 10 each.

| | 31.03.2022 | Rs in lacs<br>31.03.2021 |
|---|---|---|
| **3 Investments** | | |
| Investment in Equity Instruments | | |
| Fully paid | | |
| **Quoted** | | |
| Aptech Limited : | | |
| 10,300 Equity Shares of Rs. 10 each | 35.07 | 19.19 |
| **Unquoted** | | |
| Landale & Clark Limited : | | |
| 3,140 Equity Shares of Rs. 100 each | 4.60 | 4.60 |
| A I C Properties Limited : | | |
| 5000 Equity Shares of Rs.10 each | 0.17 | 0.17 |
| Naffar Chandra Jute Mills Limited : | | |
| 50,000 Equity Shares of Rs.10 each | 0.04 | 0.04 |
| Woodlands Multispeciality Hospital Limited : | | |
| 3,600 Equity Shares of Rs.10 each | 20.98 | 20.98 |
| West Range Properties Private Limited : | | |
| 72,000 Equity Shares of Rs 10 each | 12.53 | 16.94 |
| Champdany Constructions Limited.(Subsidiary Co) | | |
| 81,01,959 Equity Shares of Rs.10 each | 658.26 | 658.26 |
| | **731.65** | **720.19** |
| 1) Aggregate amount of quoted investment | 3.67 | 3.67 |
| 2) Aggregate market value of quoted investment | 35.07 | 19.19 |
| 3) Aggregate amount of unquoted investment | 696.58 | 700.99 |
| 4) Aggregate amount of impairment in value of investments | 3.59 | 3.59 |

| | | Rs in lacs |
|---|---|---|
| **4 Other Non Current Assets** | **31.03.2022** | **31.03.2021** |
| Advance Payment of Income Tax | 32.76 | 39.31 |

| | | Rs in lacs |
|---|---|---|
| **5 Inventories** | **31.03.2022** | **31.03.2021** |
| Raw Materials | 343.90 | 317.63 |
| Work-in-Progress | 1,222.42 | 1,328.68 |
| Finished goods | 12,774.83 | 12,793.95 |
| Stock- in-Trade | 53.67 | 53.67 |
| Stores and Spares | 669.51 | 664.39 |
| Scrap | 31.90 | 31.90 |
| | 15,096.23 | 15,190.22 |

| | | Rs in lacs |
|---|---|---|
| **6 Trade Receivables(Unsecured)** | **31.03.2022** | **31.03.2021** |
| Considered good | 1,444.85 | 1,523.21 |
| Significant increase in credit risk | 18.88 | 18.88 |
| | 1,463.73 | 1,542.09 |
| Less:Allowance for doubtful debts | 18.88 | 18.88 |
| | 1,444.85 | 1,523.21 |

| | | Rs in lacs |
|---|---|---|
| **7 Cash and cash equivalents** | **31.03.2022** | **31.03.2021** |
| Balance with banks | 0.82 | 18.47 |
| Cash in hand | 26.04 | 12.90 |
| | 26.86 | 31.37 |

### iii) Reconciliation of number of shares 31.03.2022

| | Equity shares of Rs 5 each | Rs in lacs | 2% Cumulative Preference shares of Rs 5 each | Rs in lacs | 0.1% Cumulative Preference shares of Rs 5 each | Rs in lacs |
|---|---|---|---|---|---|---|
| Outstanding as at April1,2020 | 27,420,831 | 1,371 | 12,414,353 | 621 | | - |
| Issued and Alloted during the Previous Year | 3,333,000 | 167 | - | - | - | - |
| Outstanding as at March31/April1,2021 | 30,753,831 | 1,537.69 | 12,414,353 | 621 | - | - |
| Issued and Alloted during the year | - | - | - | - | 13,250,000 | 1,325 |
| Outstanding as at March 31,2022 | 30,753,831 | 1,537.69 | 12,414,353 | 621 | 13,250,000 | 1,325 |

### iv) Shareholders holding more than 5% shares in the Company

| | 31.03.2022 | | 31.03.2021 | |
|---|---|---|---|---|
| | No of Shares | % Holding | No of Shares | % Holding |
| I Equity Shares of Rs 5 each | | | | |
| Aldgate International S A | 4266666 | 13.87 | 4266666 | 13.87 |
| Blancatex A G | 4266666 | 13.87 | 4266666 | 13.87 |
| Rishra Investments Ltd | 4948832 | 16.09 | 4948832 | 16.09 |
| Shibir India Ltd | 4062595 | 13.21 | 4062595 | 13.21 |
| Amar Investments Ltd | 3656619 | 11.89 | 3656619 | 11.89 |
| Damodardas Jerambhai Wadhwa | 3834942 | 12.47 | 3834942 | 12.47 |
| Canara Bank | 1949332 | 6.34 | 1949332 | 6.34 |
| II 2% Cumulative Preference Shares of Rs 5 each | | | | |
| Amar Investments Ltd | 9664450 | 77.85 | 9664450 | 77.85 |
| Canara Bank | 1949332 | 15.70 | 1949332 | 15.70 |
| III 0.1% Non-Cumulative Preference Shares of Rs 10 each | | | | |
| Amar Investments Ltd | 3250000 | 24.52 | 3250000 | 24.52 |
| Shibir India Ltd | 5000000 | 37.74 | 5000000 | 37.74 |
| Rishra Investments Ltd | 5000000 | 37.74 | 5000000 | 37.74 |

### 10. Other Equity

Rs in lacs

| Particulars | Security Premium Reserve | Capital Reserve | Capital Redemption Reserve | Revaluation Reserve | General Reserve | Retained Earnings | Equity Instruments through OCI | Total |
|---|---|---|---|---|---|---|---|---|
| For Financial Year 2020-2021 | | | | | | | | |
| Balance as on 01.04.20 | 3,754.89 | 27.64 | 250.00 | 2,149.85 | 2,834.00 | (2,816.08) | 32.44 | 6,232.74 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | - | (3.70) | | (14.25) | | | | (17.95) |
| Non Current Instrument (Routed through OCI) | | | | | | | 9.49 | 9.49 |
| | | | | | | | | - |
| Actuarial Impact on gratuity | | | | | | 779.67 | | 779.67 |
| (Routed through OCI) | | | | | | - | | - |
| Profit for the year | | | | | | (1,748.52) | | (1,748.52) |
| Balance as on 31.03.21 | 3,754.89 | 23.94 | 250.00 | 2,135.60 | 2,834.00 | (3,784.93) | 41.93 | 5,255.44 |
| For Financial Year 2021-2022 | | | | | | | | |
| Balance as on 01.04.21 | 3,754.89 | 23.94 | 250.00 | 2,135.60 | 2,834.00 | (3,784.93) | 41.93 | 5,255.44 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | | (3.70) | | (16.44) | | | | (20.14) |
| Non Current Instrument (Routed through OCI) | | | | | | | 10.83 | 10.83 |
| | | | | | | | | - |
| Actuarial Impact on gratuity | | | | | | 446.50 | | 446.50 |
| (Routed through OCI) | | | | | | | | - |
| Profit for the year | | | | | | (306.31) | | (306.31) |
| Balance as on 31.03.22 | 3,754.89 | 20.24 | 250.00 | 2,119.16 | 2,834.00 | (3,644.74) | 52.76 | 5,386.31 |

**Footnotes**

a) Capital Reserve: Amount is meagre and as such hardly is going to serve any material purpose.

b) Capital Redemption Reserve: The Company has recognised capital redemption reserve on redemption of prefence shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the preference shares redeemed. The purpose of these reserve is for issuance of bonus shares as and when declared.

c) Securities Premium: the amount received in excess of face value of the equity shares is recognised in securities premium. The purpose reserve is for issuanace of bonus shares as and when declared or amortization of preliminary expenses

d) General Reserve: the reserve arises on transfer from retained earnings/ statement of profit and loss. The purpose of retention of such reserve is for identification of free reserve for use of same when deemed necessary in ways authorised by Companies Act/rule including issuance of bonus shares.

e) Retained Earnings: retained earnings generally represents the undistributed profit accumulated over the years.

f) Equity Instruments through OCI: the company as recognised changes in the fair value of certain investments in equity instruments ( net of deferred tax applicable thereon) in other comprehensive income for the purpose of utilising same at the point of disposal of relevant investment as and when done at a future date.

g) Revaluation Reserve: created in the past through revaluation of certain assets. Purpose of retention of same is for utilisation at the point of disposal of corresponding assets.

Rs in lacs

| | | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| **11** | **Borrowings** | | |
| | a)Secured Term loan from Banks* | 311.53 | 608.72 |
| | b)Unsecured loan from companies | 319.01 | 319.01 |
| | c)2% cummulative non-convertible redeemable preferance shares | 620.72 | 620.72 |
| | d)0.1% Non-cummulative non-convertible redeemable preferance shares | 1,325.00 | 1,325.00 |
| | | 2,576.26 | 2,873.45 |

*Loan is secured by first charge on the entire fixed assets of the company,present and future and second charge on the entire current assets of the company,present and future ranking pari-passu among Bank of Baroda , Bank of Maharashtra, Indian Bank (Erstwhile Allahabad Bank) and IDBI Bank.

**Rs in lacs**

| | | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| **12** | **Other financial liabilities** | | |
| | a)Other payable | 200.25 | 113.29 |
| | b)Others | 11,317.99 | 10,634.50 |
| | | 11,518.23 | 10,747.79 |

**Rs in lacs**

| **13 Deferred Tax** | **Recognised in Balance Sheet** | | **Recognised In Profit & Loss** | | **Recognised In OCI** | |
|---|---|---|---|---|---|---|
| | **31.03.2022** | **31.03.2021** | **31.03.2022** | **31.03.2021** | **31.03.2022** | **31.03.2021** |
| Arising out of PPE | (682.04) | (700.74) | 18.70 | (287.74) | - | - |
| Expenses allowable on payment basis | 6.29 | 6.29 | - | - | - | - |
| Other items giving rise to temporay differences | 467.21 | 256.49 | 367.60 | 269.44 | (156.88) | (273.94) |
| Finance Lease | | | | | | |
| Gratuity | | | | | | |
| Mark to Market forward contracts [4] | | | | | | |
| Fair Valuation of financial instruments | (0.73) | (0.10) | | | (0.63) | (1.10) |
| Deferred tax asset/(liability) & Income/(Expenses) | (209.27) | (438.06) | 386.30 | (18.30) | (157.51) | (275.04) |

The aggregate of Unabsorbed depreciation upto Assessment Year 2017-18 of Rs. 1337 lacs against which deffered Tax Amounting to Rs. 334.25 lacs has been recognised.
No deffered Tax has been recognised against cash loss as a messured of abundant precaution.

**Rs in lacs**

| | | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| **13A** | **Other Non current liabilities** | | |
| | Advance against Capital Asset | 1,500.00 | - |
| | | 1,500.00 | - |

**Rs in lacs**

| | | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| **14** | **Borrowings** | | |
| | **Secured loan payable on demand from Bank** | | |
| | Cash credit(including packing credit)* | 3,852.57 | 4,711.13 |
| | | 3,852.57 | 4,711.13 |

* Secured by hypothecation of inventories, book debts and other current assets by way of first charge and second charge of fixed assets and pledge of shares of Champdany Constructions Ltd ranking pari-passu among banks in consortium ie Bank of Baroda,Indian Bank(Erstwhile Allahabad Bank),Bank of Maharashtra and IDBI Bank Ltd.

| | | Rs in lacs |
|---|---|---|
| **15 Trade Payable** | **31.03.2022** | **31.03.2021** |
| Total outstanding dues of Micro Enterprises & Small Enterprises | 3,456.68 | 3,769.54 |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | | |

According to bills,challans and correspondences of suppliers none is observed to fall within the purview of Micro and small Enterprises
within the meaning of MSMED Act 2006,bases on absence of disclosure to this effect by the suppliers being statutorily mandated.

| | | **Rs in lacs** |
|---|---|---|
| **16 Other financial liabilities** | **31.03.2022** | **31.03.2021** |
| a)Current maturities of long term loan | - | 155.04 |
| b)Security Deposits | 32.12 | 32.12 |
| c)Employees related dues | 45.55 | 36.07 |
| | 77.66 | 223.22 |

| | | **Rs in lacs** |
|---|---|---|
| **17 Other current liabilities** | **31.03.2022** | **31.03.2021** |
| a) Advance from customers | 312.77 | 442.22 |
| b) Statutory liabilities | 235.95 | 297.58 |
| | 548.72 | 739.81 |

| | | **Rs in lacs** |
|---|---|---|
| **18 Provisions** | **31.03.2022** | **31.03.2021** |
| I) Gratuity | 395.88 | 899.08 |
| ii) Superannuation | 10.57 | 10.57 |
| iii)Bonus | 34.48 | 61.51 |
| iv)Income Tax | 27.64 | 27.63 |
| | 468.58 | 998.80 |

| | | **Rs in lacs** |
|---|---|---|
| **19 Revenue from operations** | **2021-22** | **2020-21** |
| **a)Sale of Product & Services** | | |
| i)Export | 740.13 | 1,399.75 |
| ii)Domestic | 3,102.69 | 5,193.41 |
| **b)Other operating revenue** | | |
| i)Export incentives | 20.14 | 42.73 |
| ii) Insurance claim received | 303.81 | - |
| iii)Others | 238.66 | - |
| | 4,405.43 | 6,635.89 |

| | | **Rs in lacs** |
|---|---|---|
| **20 Other Income** | **2021-22** | **2020-21** |
| Dividend Income | 0.23 | - |
| Rent Received | 19.73 | 31.04 |
| Interest Received | 98.30 | 36.38 |
| Net gain forward exchange contracts (M to M) | - | 32.36 |
| Others | 386.51 | 458.64 |
| | 504.77 | 558.42 |

| | | **Rs in lacs** |
|---|---|---|
| **20A Other Comprehensive Income (OCI) Section** | **2021-22** | **2020-21** |
| **Income tax related to items recognised in OCI during the year:** | | |
| a) Re-measurement gains on defined benefit plans | 603.37 | 1,053.61 |
| b) Net fair value gain on investment in equity instruments through OCI | 11.46 | 10.59 |
| Income tax charged to OCI | (157.51) | (275.04) |
| Income tax expenses/ (income) reported in OCI | 457.33 | 789.16 |

**21 Changes in Inventories**

| | | 2021-22 | 2020-21 |
|---|---|---|---|
| | | | Rs in lacs |
| **Opening stock** | | | |
| Finished Goods | | 12,793.95 | 12,638.12 |
| Work-in-Process | | 1,328.68 | 1,403.87 |
| Stock- in-Trade | | 53.67 | 53.67 |
| | **(A)** | 14,176.30 | 14,095.66 |
| **Closing Stock** | | | |
| Finished Goods | | 12,774.83 | 12,793.95 |
| Work-in-Process | | 1,222.42 | 1,328.68 |
| Stock- in-Trade | | 53.67 | 53.67 |
| | **(B)** | 14,050.92 | 14,176.30 |
| | **(A-B)** | 125.38 | (80.64) |

**22 Employees Benefits Expenses**

| | 2021-22 | 2020-21 |
|---|---|---|
| | | Rs in lacs |
| Salaries, Wages and Bonus | 1,210.46 | 2,555.59 |
| Contribution to Provident and other Funds | 208.03 | 446.78 |
| Employees welfare expenses | 25.66 | 10.61 |
| | 1,444.16 | 3,012.98 |

**23 Finance Cost**

| | 2021-22 | 2020-21 |
|---|---|---|
| | | Rs in lacs |
| Interest expenses | 505.75 | 524.77 |
| Bank and discounting charges on export | 79.45 | 65.24 |
| | 585.21 | 590.01 |

**24 Other Expenses**

| | 2021-22 | 2020-21 |
|---|---|---|
| | | Rs in lacs |
| Stores and spares consumed | 146.95 | 412.42 |
| Power and fuel | 257.14 | 429.16 |
| Processing expenses | 37.63 | 43.71 |
| Repairs to building | 3.59 | 4.04 |
| Repairs to machinery | 1.82 | 1.23 |
| Repairs (others) | 0.54 | 0.26 |
| Insurance | 16.06 | 60.87 |
| Rates and Taxes | 22.15 | 13.08 |
| Export Freight | 47.57 | 76.94 |
| Transport and handling | 49.20 | 148.56 |
| Export expenses | 6.57 | 21.58 |
| Rent | 13.97 | 13.91 |
| Auditors Remuneration | 6.55 | 3.75 |
| Director's Fees | 3.90 | 4.10 |
| Net loss in forward exchanges contracts (M to M) | 3.53 | - |
| Currency Loss | 3.22 | 13.82 |
| Miscellaneous expenses | 189.20 | 218.28 |
| | 809.60 | 1,465.71 |

**24A Earning Per share**

| | 2021-22 | 2020-21 |
|---|---|---|
| | | Rs in lacs |
| **Particulars** | | |
| Net Profit after Tax (Rupees in Lacs) | (306.31) | (1,748.52) |
| Less: Preference Dividend | (12.41) | (12.41) |
| Net Profit Attibutable to Equity Share Holders | (318.72) | (1,760.93) |
| Total Number of Equity Shares outstanding at the beginning of the year | 30753831 | 30753831 |
| Total Number of Equity Shares outstanding at the end of the year | 30753831 | 30753831 |
| Weighted average number of equity shares outstanding during the period | 30753831 | 30753831 |

Rs in lacs

| 25 | **Taxation** | **2021-22** | **2020-21** |
|---|---|---|---|
| | The key components of income tax expense for the year ended 31 March,2022 and 31 March,2021 are: | | |
| A | Standalone Statement of Profit and Loss: | | |
| (i) | Profit and Loss Section | | |
| | a) Current tax | - | - |
| | b) Deferred tax | (386.30) | 18.30 |
| | Income tax expense/ (Income) reported in the Standalone Statement of Profit and Loss | (386.30) | 18.30 |

Rs in lacs

| (ii) | **Other Comprehensive Income (OCI) Section** | **2021-22** | **2020-21** |
|---|---|---|---|
| | Income tax related to items recognised in OCI during the year: | | |
| | a) Re-measurement gains / (Loss) on defined benefit plans | (156.88) | (273.94) |
| | b) Net fair value gain / (Loss) on investment in equity instruments through OCI | (0.63) | (1.10) |
| | Income tax charged to OCI | | |
| | Deferred tax (expenses/ income reported in OCI | | - |
| | | (157.51) | (275.04) |
| (iii) | Total income tax expenses/ (income) | (543.81) | (256.74) |

**B Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:** **Rs in lacs**

| **Particulars** | **2021-22** | **2020-21** |
|---|---|---|
| Accounting profit before tax | (692.61) | (1,730.22) |
| Statutory Income tax rate | - | - |
| Tax Expense at statutory income tax rate | - | - |
| Tax effect of amount which are not deductible(taxable) in calculating taxable income : | - | - |
| Tax impact of expenses which will never be allowed (14 A and others) | - | - |
| Tax impact of utilization of brought forward unabsorbedloss/ depreciation | - | - |
| Tax impact of exempted income | - | - |
| Others | - | - |
| Income tax expense at effective rate reported in the standalone statement of profit and loss | - | - |

26 Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for:

**26.1 Contingent Liabilities (not provided for)**

Rs. in Lacs

| | Sl. No. | Particulars | Forum where the disputes are pending | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| (a) | | Claims/Disputes/Demands not acknowledged as debts:- | | | |
| | i. | Income Tax Matters | CIT(Appeal) | 7,186.55 | 1,242.13 |
| | | | ITAT | 8.37 | 8.37 |
| | ii. | Municipal Tax& Land Revenue | Review Board | 188.55 | 188.55 |
| | | Sales Tax | ACCT | 2.10 | 2.10 |
| | | | WBCTA & RB | 132.66 | 132.66 |
| | | | SJCCT | 18.37 | 18.37 |
| | iii | ESI Dues | ESI Court | 328.01 | 328.01 |
| (b) | Indication of uncertainty in timing | | | Unascertainable | |
| (c) | Indication of uncertainty in out flow | | | Unascertainable | |
| (d) | Possibility of any re-imbursement | | | Unascertainable | |

**26.2 Commitments**

| Sl. No. | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| i. | Estimated amount of contracts remaining to be executed on Capital Account | - | - |
| ii. | Bank Guarantees | | |
| a. | Bank Guarantees | 117.44 | 273.36 |
| b. | Bank Guarantees issued against Fixed Deposit | 432.54 | 432.54 |
| iii. | Bill Discounted | - | 239.03 |

**27 Arreas of dividend on Cumulative Preference Shares (including dividend distributions tax)**

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Arrears Dividend (DDT) on cumulative preference shares | 176.59 (including DDT of Rs. 30.05 lakhs ) | 161.65 (including DDT of Rs. 27.53 akhs ) |

**28 (a) Assets pledge as security**

The carrying amounts of assets pledged as security for current are:

| Particulars | Refer Note No. | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| <u>**Current**</u> | | | |
| **Financial assets** | | | |
| First charge | | | |
| Trade Receivables | 6 | 1,444.85 | 1,523.21 |
| Non-financial assets | | | |
| First charge | | | |
| Inventories | 5 | 15,096.23 | 15,190.22 |
| Total current assets pledged as security | | 16,541.08 | 16,713.43 |
| Non-current | | | |
| First Charge | | | |
| Freehold land | | 1,597.90 | 1,597.90 |
| Plant & machinery | | 1,399.85 | 1,460.58 |
| Freehold buildings | | 833.15 | 892.23 |
| Total non-currents assets pledged as security | | 3,830.90 | 3,950.71 |
| Total assets pledged as security | | 20,371.98 | 20,664.14 |

(b) Fair value of Investment Property costing Rs 753.39 Lakhs in each 2 financial years under reference works out to Rs 36420.15 Lakhs in terms of last valuation report which is subject to revaluation in each 5 years.

© Identification of Micro & Small enterprises within the meaning of MSMED Act 2006 have been made on the basis of disclosure to the effect in invoices & challan by the vendor as mandated .No such vendors has been found to dealing in with the company so as to make disclosures thereon.

**29 Ind AS 17-Leases**

**29.1 Financial Lease (Lessee)**

**29.1.1 For each class of asset**

| Carrying amount | | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| Leasehold Land | | 23.91 | 24.48 |

**29.1.2 Reconcilition between the total future minimum lease payments and their present value.(financial lease)**

**For each class of asset**

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | MLP | PV | MLP | PV |
| Within 1 year | 0.14 | 0.03 | 0.14 | 0.03 |
| Between 1 to 5 years | 0.54 | 0.08 | 0.54 | 0.07 |
| After 5 years | 4.88 | 0.13 | 5.02 | 0.16 |
| Total minimum lease payments | 5.56 | 0.24 | 5.71 | 0.26 |
| Less: amounts representing finance charges | 5.32 | | 5.45 | |
| Present value of minimum lease payments | 0.24 | | 0.26 | |

**30. Defined Contribution Plan:**

The amount recognized as an expense for the Defined Contribution Plans are as under:

| Sl. No. | Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|---|
| a | Provident Fund | 10.09 | 35.03 |
| b | Pension Fund | 67.99 | 159.07 |
| c | E.S.I. | 30.97 | 70.27 |

**30.1 Defined Benefit Plan:**

The following are the types of defined benefit plans

**30.1.1 Gratuity Plan**

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

**30.1.2 Provident Fund**

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

**30.1.3 Risk Exposure**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

| | |
|---|---|
| **ASSET VOLATILITY** | The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years. |
| **CHANGES IN BOND YIELDS** | A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. |
| **INFLATION RISKS** | In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk. |
| **LIFE EXPECTANCY** | The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy. |

**30.1.4 Reconciliation of the net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

| Particulars | Gratuity | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Balance of obligation at the beginning of the year | 1,548.99 | 2,369.98 |
| Current Service Cost | 40.83 | 71.81 |
| Interest Cost on Defined Benefit Obligation | 101.65 | 152.86 |
| Actuarial Gain and Losses arising from | | |
| Changes in demographic assumptions | | - |
| Changes in financial assumptions | 8.40 | 156.08 |
| Experience Adjustment | (610.85) | (1,201.75) |
| Benefits Paid from the Plan Assets | (17.78) | - |
| Balance of obligation at the end of the year | 1,071.23 | 1,548.99 |

**30.1.5 Reconciliation of the Plan Assets**

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

| Particulars | Gratuity | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Balance at the beginning of the year | 649.91 | 603.06 |
| Interest Income on Plan Assets | 42.31 | 38.90 |
| Remeasurement of Defined Benefit Obligation: | | |
| Return on plan assets greater/ (lesser) than discount rate | 0.92 | 7.94 |
| Employer Contributions to the Plan | | |
| Benefits Paid from the Plan Assets | (17.78) | - |
| Balance at the end of the year | 675.35 | 649.91 |

**30.1.6 Expenses recognized in profit or loss**

| Particulars | Gratuity | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Current Service Cost | 40.83 | 71.81 |
| Interest Cost (Net) | 59.34 | 113.97 |

**30.1.7 Remeasuremets recognzied in other comprehensive income**

| Particulars | Gratuity | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Actuarial (gain)/ Loss on defined benefit obligation | (603.37) | (1,053.61) |

**30.1.8 Asset-Liability Matching Strategy**

"The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this frameowrk, the company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets."

**31.1.9 Actuarial Assumptions**

| Particulars | Gratuity | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Financial Assumptions | | |
| Discount Rate | 6.45 | 6.60 |
| Salary Escalation Rate | 5.00 | 5.00 |
| Demographic Assumptions | | |
| Mortality Rate | IALM(2012-14) | IALM(2012-14) |
| Withdrawal Rate | 4.20 | 4.20 |

**30.1.10** The estimates of future salary increases/decreases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**30.1.11** Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to Rs. 1444.01 lakhs (previous year Rs. 3012.98 lakhs)

**30.1.12 Sensitivity Analysis**

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| **Particulars** | **Gratuity** | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Effect on DBO due to 1% increase in Discount Rate | 1,017.64 | 1,434.05 |
| Effect on DBO due to 1% decrease in Discount Rate | 1,130.86 | 1,680.00 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 1,131.13 | 1,679.34 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | 1,016.45 | 1,431.45 |
| Effect on DBO due to 50% increase in Withdrawal Rate | 1,071.71 | 1,550.46 |
| Effect on DBO due to 50% decrease in Withdrawal Rate | 1,070.74 | 1,547.50 |
| Effect on DBO due to 10% increase in Mortality Rate | 1,071.42 | 1,549.51 |
| Effect on DBO due to 10% decrease in Mortality Rate | 1,071.04 | 1,548.46 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

31 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as as follows:

Company has not incurred any obligation on account of Corporate Social Responsibility till end of current financial year within the meaning of Sec 135 of Companies Act,2013

**32 Related Party Disclosures**

32.1 Related parties with whom transactions have taken place during the year and previous year are:

**(A) Subsidiaries**

Champdany Construction Limited.

(B) Key Management Personnels

Mr. Nirmal Pujara
Mr. Lalanjee Jha
Mr. Gopal Sharma

**© Directors**

Mr.D J Wadhwa,Chairman
Dr.G Goswami
Mr. Mrityunjay Banerjee
Ms.Mina Agarwal

**(D) Others (Entities under significant influence)**

Landale & Clerk Ltd
G Jerambhai Exports Ltd
Gunny Dealers ltd
Libra Exporters Ltd
Libra Transport Ltd
Macgregor & Balfour India Ltd.
Jessor Industries (India) Ltd.
Naffar Chandra Jute Mills Ltd.
Baidyabati Industries Ltd.
Jerambhai Seva Trust
V.B.Seva Trust
Circus Avenue Properties Pvt. Ltd.
Gojer Brothers Pvt. Ltd.
West Range Properties Pvt.Ltd.
Coopers Commodities Ltd.
Coopers Wealth Advisers Ltd.

## 32.2 Transactions during the year

| Particulars | 2021-22 | | | | | 2020-21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Directors | Key Management Personnel | Subsidiary | Others | Closing | Directors | Key Management Personnel | Subsi-diary | Others | Closing |
| 1. Revenue from operations | Nil | Nil | Nil | 238.03 | 109.90 | Nil | Nil | Nil | 174.82 | 214.34 |
| 2. Other Income | Nil | Nil | 20.00 | 6.43 | 13.94 | Nil | Nil | 95.00 | 31.22 | 70.10 |
| 3. Purchase/Material Consumed | Nil | Nil | Nil | 341.01 | 57.46 | Nil | Nil | Nil | 205.75 | 54.45 |
| 4. Transport and handling | Nil | Nil | Nil | 0.75 | 12.19 | Nil | Nil | Nil | 1.80 | 73.30 |
| 5. Payment to KMP | Nil | 29.06 | Nil | Nil | Nil | Nil | 41.12 | Nil | Nil | Nil |
| 6. Rent Paid | Nil | Nil | Nil | 2.79 | 4.46 | Nil | Nil | Nil | 3.82 | 3.95 |
| 7. Professional Fees | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 8.Meeting fees | 5.90 | Nil | Nil | Nil | Nil | 5.70 | Nil | Nil | Nil | Nil |
| 9.Loan taken | Nil | Nil | 23.66 | 272.28 | 456.94 | Nil | Nil | Nil | 205.36 | 276.86 |
| 10.Advances given | Nil | Nil | Nil | 29.08 | 46.26 | Nil | Nil | 13.95 | 57.50 | 70.30 |
| 11.Loan Repaid | Nil | Nil | 13.95 | 245.00 | 472.08 | Nil | Nil | 4.33 | 2.84 | 467.28 |
| | | | | | | | | | | |

## 32.3 Key Management Personnel compensation

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|
| Short-term employee benefits | 29.06 | 41.12 |
| Post-employment benefits | - | - |
| Total compensation | 29.06 | 41.12 |

## 33 Categories of Financial Assets & Financial Liabilities

As at 31st March 2022 and 31st March 2021

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| Financial Assets | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | | 73.39 | | | 61.93 | |
| - Mutual Funds | - | - | | - | - | |
| Fixed Deposits with Banks(Maturing after 12 months) | | | 500.00 | | | 500.00 |
| Trade Receivables | - | - | 1,444.85 | - | - | 1,523.21 |
| Cash and Cash Equivalents | - | - | 26.86 | - | - | 31.37 |
| Bank Balance other than above | - | - | 464.21 | - | - | 16.63 |
| Loans | | | 211.87 | | | 211.87 |
| Other Financial Assets | | | 4,231.85 | | | 4,216.71 |
| **Total Financial Assets** | **-** | **73.39** | **6,879.64** | **-** | **61.93** | **6,499.79** |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 6,428.83 | - | - | 7,584.58 |
| Trade Payables | - | - | 3,456.68 | - | - | 3,769.54 |
| Other Financial Libilities | - | - | 11,595.89 | - | - | 10,971.30 |
| Derivatives not designated as hedge | - | - | - | - | - | - |
| **Total Financial Liabilities** | **-** | **-** | **21,481.40** | **-** | **-** | **22,325.42** |

Investment in subsidiary amounting to Rs 658.27 lakhs held at cost has been kept out of purview of financial asset.

**34 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost**

**34.1** The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

| Particulars | 31st March 2022 | | 31st March 2021 | |
|---|---|---|---|---|
| | **Carrying Amount** | **Fair Value** | **Carrying Amount** | **Fair Value** |
| **Financial Assets** | | | | |
| Investments | 73.39 | 73.39 | 61.93 | 61.93 |
| Trade Receivables | 1,444.85 | 1,444.85 | 1,523.21 | 1,523.21 |
| Cash and Cash Equivalents | 26.86 | 26.86 | 31.37 | 31.37 |
| Bank Balance other than above | 464.21 | 464.21 | 16.63 | 16.63 |
| Fixed Deposits with Banks(Maturing after 12 months) | 500.00 | 500.00 | 500.00 | 500.00 |
| Loans | 211.87 | 211.87 | 211.87 | 211.87 |
| Other Financial Assets | 4,231.85 | 4,231.85 | 4,216.71 | 4,216.71 |
| **Total Financial Assets** | **6,953.03** | **6,953.03** | **6,561.72** | **6,561.72** |
| **Financial Liabilities** | | | | |
| Borrowings | 6,428.83 | 6,428.83 | 7,584.58 | 7,584.58 |
| Trade Payables | 3,456.68 | 3,456.68 | 3,769.54 | 3,769.54 |
| Other Financial Libilities | 11,595.89 | 11,595.89 | 10,971.30 | 10,971.30 |
| **Total Financial Liabilities** | **21,481.40** | **21,481.40** | **22,325.42** | **22,325.42** |

**Investment in subsidiary amounting to Rs 658.27 lakhs held at cost has been kept out of purview of financial asset.**

**34.2** The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

**34.3** For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

**34.4** The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**34.5** The following methods and assumptions were used to estimate the fair values:

**34.5.1** The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

**34.5.2** The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

**35 Fair Value Hierarchy**

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

**35.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements**

AAs at 31st March 2022 and 31st March 2021

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | 35.07 | - | 38.32 | 19.19 | - | 42.74 |
| Trade Receivables | - | - | 1,444.85 | - | - | 1,523.21 |
| Cash and Cash Equivalents | - | - | 26.86 | - | - | 31.37 |
| Bank Balance other than above | - | - | 464.21 | - | - | 16.63 |
| Fixed Deposits with Banks(Maturing after 12 months) | - | - | 500.00 | - | - | 500.00 |
| Derivative Instrument | - | - | - | - | - | - |
| Loans | | - | | | - | |
| Other Financial Assets | | | - | | | - |
| **Total Financial Assets** | **35.07** | **-** | **2,474.24** | **19.19** | **-** | **2,113.95** |
| Non Financial Asset | | | | | | |
| **Total Non Financial Assets** | | | | **-** | **-** | **-** |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 6,428.83 | - | - | 7,584.58 |
| Trade Payables | - | - | 3,456.68 | - | - | 3,769.54 |
| Other Financial Libilities | - | - | 11,595.89 | - | - | 10,971.30 |
| Derivative Instrument | - | - | - | - | - | - |
| **Total Financial Liabilities** | **-** | **-** | **21,481.40** | **-** | **-** | **22,325.42** |
| Non Financial liabilty | - | - | - | - | - | - |
| **Total Non Financial Liabilities** | **-** | **-** | **-** | **-** | **-** | **-** |

**35.2** During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**35.3 Explanation to the fair value hierarchy**

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**35.3.1 Level 1** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**35.3.2 Level 2** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

**36 Financial Risk Management**

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

**36.1 Credit Risk**

"The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels. Existing practice is to create allowances for doubtful debts on the basis of outstanding non-government dues for above three years subject to due recognition of ongoing negotiation for realisation of dues in this regard without creation of provision in respect of parties reflexing on silverline towards recoverability of old dues. Govenment dues are generally considered recoverable."

**a. Trade receivables**

**As on 31st March, 2022**

| **Ageing schedule** | **0-365 days past due** | **366-730 days past due** | **Above 730 days past due** |
|---|---|---|---|
| Gross carrying amount | 1,109.51 | 31.87 | 322.34 |
| Expected loss rate | | | |
| Expected credit losses (Loss allowance provision) | - | - | 18.88 |
| Carrying amount of trade receivables (net of impairment) | 1,109.51 | 31.87 | 303.46 |

**As on 31st March, 2021**

| **Ageing schedule** | **0-365 days past due** | **366-730 days past due** | **Above 730 days past due** |
|---|---|---|---|
| VAXGross carrying amount | 1,434.72 | 20.56 | 67.93 |
| Expected loss rate | | | |
| Expected credit losses (Loss allowance provision) | - | - | 18.88 |
| Carrying amount of trade receivables (net of impairment) | 1,434.72 | 20.56 | 49.05 |

| **Reconciliation of loss allowance provision –** | **Amount** |
|---|---|
| Loss allowance on 31 March 2021 | 18.88 |
| Changes in loss allowance | - |
| Loss allowance on 31 March 2022 | 18.88 |

36.2 **Liquidity Risk**

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

**36.2.1 Maturity Analysis for financial liabilities**

The following are the remaining contractual maturities of financial liabilities as at 31st March 2022

| a | Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| | **Non-derivative** | | | | | | |
| | Trade payables | - | 2,259.63 | 1,197.05 | - | - | 3,456.68 |
| | Borrowings | 319.01 | - | - | 311.53 | 1,945.72 | 2,576.26 |
| | Working Capital loans repayable on demand | 3,852.57 | - | - | - | - | 3,852.57 |
| | Other financial liabilities | - | - | 77.66 | 11,518.23 | - | 11,595.89 |
| | **Total** | **4,171.58** | **2,259.63** | **1,274.71** | **11,829.76** | **1,945.72** | **21,481.40** |
| | Derivative | | | | | | |
| | Derivatives not designated as hedge | | | | | | |

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2021

| | Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| | **Non-derivative** | | | | | | |
| | Trade payables | - | 2,507.59 | 1,261.95 | | - | 3,769.54 |
| | Borrowings | 319.00 | - | - | 608.72 | 1,945.72 | 2,873.44 |
| | Working Capital loans repayable on demand | 4,711.60 | - | - | - | - | 4,711.60 |
| | Other financial liabilities | - | - | 223.25 | 10,748.05 | - | 10,971.30 |
| | **Total** | **5,030.60** | **2,507.59** | **1,485.20** | **11,356.77** | **1,945.72** | **22,325.88** |
| | Derivative | | | | | | |
| | Derivatives not designated as hedge | | | | | | |

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

**36.3 Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

**36.3.1 Foreign Exchange Risk**

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The Company imports various raw materials viz. chemicals, drugs, API, packing materials viz. granules, items of stores and spares and capital goods as per its requirements from time to time and also borrows funds in foreign currencies. This results in foreign currency risk to the Company. Similarly, company's exports are also exposed to foreign currency risks.

For the Foreign Exchange exposures risk management, the Company's Policy is to adopt a flexible approach in hedging its risk. For this, the Company from time to time takes the view from banks and foreign exchange experts and based upon the same and also considering macro-economic factors, forms a view and whenever deemed necessary, hedges its foreign exchange risk. The hedging strategies are taken after careful study/ analysis of foreign exchange market to minimize to the extent possible, any effect of the fluctuation in foreign exchange rates.

a **Exposure to currency risk**

The Company's exposure to foreign currency risk unhedged exposures at the end of the reporting period expressed in INR, are as follows:

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | USD | JPY | GBY | USD | JPY | GBY |
| **Financial Assets** | | | | | | |
| Trade Receivables | - | 52.37 | - | 26.48 | 24.57 | - |
| Advances to Suppliers | - | - | - | - | - | - |
| Bank Balance | - | - | - | - | - | - |
| Net Exposure to foreign currency risk (assets) | - | 52.37 | - | 26.48 | 24.57 | |
| Financial Liabilities | | | | | | |
| Trade Payables | - | - | - | | - | - |
| Advance from Debtors | 45.22 | 1.10 | 160.43 | 36.60 | 1.29 | 174.81 |
| Derivative Liabilities | | | | | | |
| Derivatives not designated as hedge | | | | | | |
| Export Bill Discounted | - | - | - | - | 166.47 | 72.56 |
| Net Exposure to foreign currency risk (liabilities) | 45.22 | 1.10 | 160.43 | 36.60 | 167.76 | 247.37 |

**Off Balance Sheet exposure(Derivative Contract)-hedged**

| | Particulars | 31st March 2022 | | | | 31st March 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | USD | EURO | GBP | TOTAL | USD | EURO | JPY | TOTAL |
| a | Forward contract to purchase foreign currency | - | - | - | - | 0.62 | 0.48 | - | 1.10 |
| b | Forward contract to sell foreign currency | - | - | - | - | 99.51 | - | 0.99 | 100.50 |

b **Sensitivity Analysis**

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit After Tax | Other Equity | | Profit After Tax | Other Equity |
| USD Sensitivity (Increase) | 5% | (2.26) | - | 5% | (0.51) | - |
| USD Sensitivity (Decrease) | 5% | 2.26 | - | 5% | 0.51 | - |
| JPY Sensitivity (Increase) | 5% | 2.56 | - | 5% | (7.16) | - |
| JPY Sensitivity (Decrease) | 5% | (2.56) | - | 5% | 7.16 | - |
| GBP Sensitivity (Increase) | 5% | (8.02) | - | 5% | (12.37) | - |
| GBP Sensitivity (Decrease) | 5% | 8.02 | - | 5% | 12.37 | - |

**36.3.2 Interest Rate Risk**

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary. The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and lnvestments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a Exposure to interest rate risk

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| **Fixed Rate Instruments** | | |
| Financial Assets | 1048.01 | 584.86 |
| Financial Liabilities | 311.53 | 608.72 |
| Variable Rate Instruments | | |
| Financial Assets | - | - |
| Financial Liabilities | - | - |

**Primary Geographical Markets:**

| | 2021-22 | 2020-21 |
|---|---|---|
| DOMESTIC | 3,352.12 | 5,203.60 |
| EXPORT SALES | 740.13 | 1,399.74 |

| OTHER SALES | 2021-22 | 2020-21 |
|---|---|---|
| INSURANCE CLAIMS | 303.81 | - |
| Export Incentive | 20.14 | 42.73 |
| Less: Commisssion Paid | (10.77) | (10.18) |
| Net Sales | 4,405.43 | 6,635.89 |

| | 2021-22 | 2020-21 |
|---|---|---|
| DOMESTIC SALES | 3,352.12 | 5,203.60 |
| EXPORT SALES | 740.13 | 1,399.74 |
| EXPORT INCENTIVE | 20.14 | 42.73 |
| OTHERS | 303.81 | - |
| TOTAL SALES | 4,416.20 | 6,646.07 |
| LESS COMMISSION | (10.77) | (10.18) |
| NET SALES | 4,405.43 | 6,635.89 |

Major Distribution Channels Relate to Overseas, Govt.& Institutional Buyers.

40 The outbreak of Covid-19 and consequent imposition of national lockdown by the Government of India to deter its impact seriously affected the economy activities and operational performance of the Company. The management has considered the possible effect that may arise from the pandemic on the recoverability /carrying value of the assets. Based on the current indicators of future economic conditions, the Company Management expects to recover the carrying amount of the assets.However , the trend suggests future economic condition may be subject to material changes on days ahead. Given the uncertainity the final impact on Cmpany's assets in future may differ from that estimated at the date of closing Financial statyements of the Company.

**41 Previous years figures have been regrouped and rearranged wherever necessary.**

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit After Tax | Other Equity | | Profit After Tax | Other Equity |
| Interest amount Increase by | 2% | (10.12) | - | 2% | (10.50) | - |
| Interest amount Decrease by | 2% | 10.12 | - | 2% | 10.50 | - |

**36.3.3 Other Price Risk**

The Company is exposed to equity price risk, in a meagre way with least possiblity of any adverse impact on account of equity or debt instruments in profitability.

**36.3.4 Capital Management**

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt ( total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

**37 Impairment**

The Company has not found any indication of impairment of the assets as per Ind AS 36 and accordingly no further exercise for calculating impairment loss has been undertaken.

38 Particulars of disclosure under section 186(4) of the Companies Act,2013.The company has not made any investment or given any loan or furnished any guarantee attracting provision of section 186(4) of the Companies Act,2013.

**39 INFORMATION PURSUANT TO IND AS 115**

| | **Breakup of Sales:** | **2021-22** | **2020-21** |
|---|---|---|---|
| **a.** | **JUTE PRODUCTS** | | |
| i. | Jute Products | 2,789.10 | 6,062.39 |
| ii. | Flax | 1,064.49 | 517.89 |
| iii. | Scrap Sales | 238.66 | 23.06 |
| iv. | Others | - | - |
| | **TOTAL** | **4,092.25** | **6,603.34** |
| | GROSS SALES OF JUTE & FLAX | 4,092.25 | 6,603.34 |
| | EXPORT INCENTIVE | 20.14 | 42.73 |
| | OTHERS | 303.81 | - |
| | less: commission paid | (10.77) | (10.18) |
| | **NET SALES** | **4,405.43** | **6,635.89** |

## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF AI CHAMPDANY INDUSTRIES LIMITED
### Report on the Audit of the Consolidated Financial Statements of AI Champdany Industries Limited

### Opinion

We have audited the accompanying consolidated financial statements of AI Champdany Industries Limited ("the Company"), which comprise the Balance Sheet as at 31stMarch 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in Equity and the cash flow statement for the year on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with 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 31st March 2022, the profit/loss, comprehensive income/loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted the audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 the Chartered Accountants of India (ICAI) together with independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, 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 the basis for our audit opinion on the financial statements.

### Key Audit Matters

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

Key audit matter How our audit addressed the key audit matters

We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matters |
|---|---|
| **A.Revenue Recognition**<br><br>Revenue for the company consists primarily of sale of products.<br>Revenue from the sale of products is recognized at the moment when performance obligation of the underlying products have been completed and is measured net of discounts, incentives and rebates given to the customers.<br>The estimation of discounts, incentives and rebates recognized, related to sales made during the year, is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of inaccurate estimates of discounts, incentives and rebates.<br>Further, the company focuses on revenue as a key performance measure. Therefore, revenue was our area of focus included whether the accruals were misstated and appropriately valued, whether rebates and discounts was recorded in the correct period and whether the significant transactions had been accurately recorded in the Statement of Profit and Loss.<br>Refer corresponding note for amounts recognized as revenue from sale of products | **Our key procedures included the following:**<br>a) Assessed the appropriateness of the company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates by comparing with the applicable accounting standards;<br>b) Tested the operating effectiveness of the general IT control environment and key IT application controls over recognition of revenue, calculation of discounts, incentives and rebates;<br>c) Performed test of details:<br>i) Agreed samples of sales, discounts, incentives and rebates to supporting documentation and approvals; and<br>ii) Obtained supporting documents for sales transactions recorded either side of year end as well as credit notes issued after the year ended to determine whether revenue was recognized in the correct period.<br>d) Performed focused analytical procedures:<br>i) Compared the revenue for the current year with the prior year for variance/ trend analysis and where relevant, completed further inquiries and testing to corroborate the variances by considering both internal |

| | |
|---|---|
| | and external benchmarks, overlaying our understanding of industry; and<br>ii) Compared the discounts, incentives and rebates of the current year with the prior year for variance/ trend analysis and where relevant, completed further inquiries and testing to corroborate the variances by considering both internal and external benchmarks, overlaying our understanding of industry.<br>e) Considered the appropriateness of the company's description of the accounting policy, disclosures related to revenue, discounts, incentives and rebates and whether these are adequately presented in the financial statement. |
| **B. Litigations and claims –provisions and contingent liabilities**<br>As disclosed in Notes detailing contingent liability and provision for contingencies, the company is involved in direct, indirect tax and other litigations ('litigations') that are pending with different statutory authorities.<br>Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments.<br>The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently<br>subjective. | **Our key procedures included the following:**<br>• Assessed the appropriates of the company's accounting policies, including those relating to provision and contingent liability by comparing with the applicable accounting standards;<br>• Assessed the company process for identification of the pending litigations and completeness for financial reporting and also for monitoring of significant developments in relation to such pending litigations;<br>• Engaged subject matter specialists to gain an understanding of the current status of litigations and monitored changes in the disputes, if any, through discussions with the management and by reading external advice received by thecompany, where relevant, to establish that the provisions had been appropriately recognized or disclosed as required;<br>• Assessed the company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognized or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;<br>• Performed substantive procedures on the underlying calculations supporting the provisions recorded;<br>• Assessed the management's conclusions through understanding precedents set in similar cases; and<br>Considering the appropriateness of the company's description of the disclosures related to litigations and whether these adequately presented in the financial statements. |
| **C. Valuation of investments and impairment thereof**<br>I. Non-Current Investments in Unquoted equity instruments.<br><br>II. Current Investments in unquoted mutual funds.<br><br>III. Fixed Deposit with Bank. | **Our key procedures included the following:**<br>Verified with reference to latest registered valuers report;<br>Valuation report based on simple average of valuation of investee on EBIDTA concept, Revaluation concept, and Discounted cash flow concept.<br>Verified with reference to duly declared NAV of the investee.<br>Verified with reference to banks confirmation and computation of interest accrued thereon. |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is 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 Shareholders' 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.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cashflows of the companies in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the companies are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the companies 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, the Board of Directors of the company 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 is also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements.

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept 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), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of written representations received from the directors as on 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

**Annexure-1**

**Annexure-1**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) referred to in Para V (2) (f) of our report of even date.**

We have audited the internal financial controls over financial reporting of **AI CHAMPDANY INDUSTRIES LIMITED** (“the Company”) as of **31st March, 2022** in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls over Financial Reporting” issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

**Emphasis of Matter**

Debt control mechanism needs strengthening.

We hereby report without qualifying the above.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over 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 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

**A company's internal financial control over financial reporting includes those policies and procedures that:**

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

operating effectiveness of such controls, refer to our separate report in **"Annexure 1"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the act read with Schedule-V of the act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given tous:

   i. The financial statements disclose impact of pending litigations on the financial position of the company in note no. 27 of financial statement.

   ii. The company has not entered into long term contracts. However, company has entered into derivatives contracts in respect of which due provision has been made against foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

   iv. No fundhas been advanced or loaned or invested by the company to or in any other entity or person including foreign entities or provide any guarantee or security as undertaken by the management.

   v. No fund has been received by the company from any person or entity including foreign entity or provide any guarantee or security as undertaken by the management.

   vi. Nothing has come to our notice that has caused us to believe that the representation under clause (iv) and (v) above contain any material mis-statement.

   vii. No dividend or part was declared by company during the year as per Section 123 of Companies Act, 2013.

   viii. The Company has been using such accounting software to maintain its books of accounts which has a feature of recording audit trail facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been presented by the company as per the Statutory Requirements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 2" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

**For G.Basu & Co.**
**Chartered Accountants**
**FRN 301174E**

**G Guha**
**Partner**
**Membership No.054702**

**Place: Kolkata**
**Date :30.05.2022**
**UDIN No.:22054702AJXYLOO8698**

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting in consolidated perspective and such internal financial controls over financial reporting were operating effectively as at 31st 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.

**For G.Basu & Co.**
**Chartered Accountants**
**FRN 301174E**

**G Guha**
**Partner**
**Membership No.054702**

**Place: Kolkata**

**Date :30.05.2022**

**UDIN No.:22054702AJXYLOO8698**

## ANNEXURE 2

**Report on the matters specified in Paragraphs 3 and 4 of THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016, referred to in Para V (1) of our report of even date**

I. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.

c. The title deeds of immovable properties are held in the name of the Company.

II. The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of account.

III. The Company has not granted any Loans, Secured or Unsecured to Companies, Firms, Limited Liability Partnerships or Other parties covered in the register maintained under section 189 of the Companies Act, 2013.

IV. The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of Loans, making Investments and providing guarantees and securities.

V. The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(V) of the Order is not applicable.

VI. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the company covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

VII. a) According to information and explanations given to us, the company is generally regular in depositing with statutory authorities undisputed statutory dues to the extent applicable to it except for some amount which could not be verified by us.

VII (b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, VAT, Goods & Service tax and others cess which have not been deposited as on31st March, 2022 on accounts of dispute are furnished below:

| **Name of the Statute** | **Nature of dues dispute is pending** | **Forum where involved (Rs. in lacs)** | **Amount** |
|---|---|---|---|
| Bhatpara Municipality | Municipal Tax & Land Revenue | Review Board | 188.55 |
| ESI Act | ESI dues | ESI Court | 328.01 |
| Central Sales Tax 1956 & West Bengal Sales Tax Act, 1994 | Sales Tax | ACCT | 2.10 |
| | | WBCTA & RB | 132.66 |
| | | SJCCT | 18.37 |
| Income Tax Act, 1961 | Income Tax | CIT (Appeal) | 7186.55 |
| | | ITAT | 8.37 |

VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any bank, financial institution or government. Company has no debenture holder or financial institutional borrowing during the year.

IIX. No monies were raised by way of Initial Public Offer or Further Public Offer; Term Loans were applied for the purposes for which they were raised.

X. No fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

XI. The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V of the Act.

XII. The Company is not a Nidhi Company and accordingly paragraph 3 (XII) of the Order is not applicable.

XIII. All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of related parties transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

XIV. The company has not made any preferential allotment of shares during the year and hence reporting requirements of section 42 of the Companies Act, 2013 are not applicable to the company.

XV. The Company has not entered into any non-cash transaction with directors.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For G.Basu & Co.**
**Chartered Accountants**
**FRN 301174E**

**G Guha**
**Partner**
**Membership No.054702**

**Place: Kolkata**
**Date : 30.05.2022**
**UDIN No.:22054702AJXYLOO8698**

# AI CHAMPDANY INDUSTRIES LIMITED
## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

Rs. in lacs

| | | Notes | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| I | **Non-current Assets** | | | |
| | (a) Property,Plant and Equipment | 2 | 6,508.43 | 6,852.70 |
| | (b) Capital work in progress | | 857.12 | 942.51 |
| | (c ) Investment Property (Free hold land) | | 753.39 | 753.39 |
| | (d) Goodwill | | 3.16 | 3.16 |
| | i)Investments | 3 | 89.55 | 78.54 |
| | ii)Fixed Deposits with Banks (Maturing after 12 months) | | 500.00 | 500.00 |
| | (e)Other Non Current Assets | 4 | 45.81 | 65.13 |
| | **Total Non - Current Assets** | | **8,757.45** | **9,195.43** |
| II | **Current Assets** | | | |
| | a)Inventories | 5 | 15,088.16 | 15,182.15 |
| | b) Financial Assets | | | |
| | i) Investment | 6 | 0.02 | 0.02 |
| | ii)Trade Recievables | 7 | 1,506.95 | 1,585.31 |
| | iii)Cash and Cash Equivalents | 8 | 27.96 | 32.08 |
| | iv)Bank Balance other than (ii) above (including FD maturity within 3 to 12 month) | | 464.21 | 16.63 |
| | v) Loans | 8A | 211.87 | 211.87 |
| | vi) Others | 8B | 4,231.85 | 4,216.71 |
| | c) Current Tax Assets | 8C | 153.92 | 141.89 |
| | d) Other Curent Asserts | 9 | 1,089.45 | 1,169.11 |
| | **Total Current Assets** | | **22,774.39** | **22,555.77** |
| | **TOTAL ASSETS** | | **31,531.85** | **31,751.20** |
| | **EQUITY AND LIABILITIES** | | | |
| | a) Equity Share Capital | 10 | 1,537.69 | 1,537.69 |
| | b) Other Equity | 11 | 5,435.89 | 5,328.75 |
| | Equity attributable to shareholders of Holding Company | | 6,973.58 | 6,866.44 |
| | c) Non-controlling Interest | 11A | 156.04 | 161.25 |
| | **Total Equity** | | **7,129.61** | **7,027.70** |
| | **LIABILITIES** | | | |
| I | **Non - Current Liabilities** | | | |
| | a)Financial liabilities | | | |
| | i) Borrowings | 12 | 2,576.26 | 2,873.45 |
| | ii) Lease liabilities | | 0.23 | 0.26 |
| | iii) Other financial liabilities | 13 | 11,518.23 | 10,747.79 |
| | (b) Deferred Tax Liability (Net) | 14 | 209.27 | 438.06 |
| | (c) Other Non Current Liabilities | 14A | 1,500.00 | - |
| | **Total Non - Current Liabilities** | | **15,804.00** | **14,059.56** |
| II | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | i) Short Term Borrowing | 15 | 3,825.37 | 4,711.60 |
| | ii)Trade Payables | 16 | 3,656.61 | 3,963.07 |
| | iii) Other Financial Liabilities | 17 | 82.30 | 227.89 |
| | iv) lease liabilities | | 0.02 | 0.03 |
| | (b) Other Current Liabilities | 18 | 565.37 | 762.56 |
| | ( c) Provisions | 19 | 468.58 | 998.80 |
| | **Total Current Liabilities** | | **8,598.26** | **10,663.95** |
| | **TOTAL EQUITY AND LIABILITIES** | | **31,531.85** | **31,751.20** |
| | Significant Accounting Policies | 1 | | |

Accompanying notes form integral part of the financial statements.

In terms of our report of even date attached

For G.Basu & Co.
Chartered Accountants
FRN 301174E

G Guha
Partner
Membership No.054702
UDIN No. : 22054702AJXYOO8698
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

On behalf of the Board

N. Pujara
Whole Time Director
DIN:00047803

Mrityunjoy Banerjee
Director
DIN:08600440

## AI CHAMPDANY INDUSTRIES LIMITED
## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31TH MARCH, 2022

Rs. in lacs

| | | 31.03.2022 | | 31.03.2021 |
|---|---|---|---|---|
| **A.** | **Cash flow from Operating activities :** | | | |
| | Profit/(Loss) before Taxation | | (708.08) | (1,725.23) |
| | Add:- Adjustments for : | | | |
| | Retirement Benefits | - | | 185.78 |
| | Profit on Sale of CWIP | (350.09) | | |
| | Depreciation and Amortisation | 340.32 | | 359.79 |
| | Dividend from Investments | (0.23) | | - |
| | Foreign currency Fluctuation | - | | 0.39 |
| | Interest Paid | 585.23 | | 524.77 |
| | Interest Income | (98.30) | | (36.39) |
| | Subsidy amortised | - | | (3.70) |
| | | | 476.92 | |
| | **Operating Profit/(Loss) before Working Capital Changes** | | **(231.16)** | **(694.59)** |
| | Add/(Less):- Adjustments for : | | | |
| | (Increase)/Decrease in Inventories | 93.99 | | (60.96) |
| | (Increase)/Decrease in Trade and Other Receivables | (293.80) | | (106.74) |
| | (Decrease)/Increase in Trade Payables and other Liabilities | 349.40 | | (361.89) |
| | | | 149.59 | (529.59) |
| | **Cash Generated from Operations :** | | **(81.57)** | **(1,224.18)** |
| | Direct Taxes | | 7.29 | (11.69) |
| | Net Cash from / (used in) Operating Activities | | (74.28) | (1,235.87) |
| **B.** | **Cash flow from Investing Activities :** | | | |
| | Purchase of Fixed Deposits | - | | (100.00) |
| | (Purchase)/Sale of Fixed Assets | (29.67) | | |
| | Proceeds from sale of CWIP | 435.47 | | |
| | Advance against Capital Asset | 1,500.00 | | |
| | Dividend Income | 0.23 | | |
| | Interest Received | 82.73 | | 10.19 |
| | **Net Cash from / (used in) Investing Activities** | | **1,988.76** | **(89.81)** |
| **C.** | **Cash flow from Financing Activities :** | | | |
| | Proceeds from borrowings | - | | 637.73 |
| | Repayment of Borrowings | (447.15) | | |
| | Interest Paid | (585.23) | | (553.78) |
| | Net Cash from / (used in ) Financing Activities | | (1,032.38) | 83.95 |
| | Net increase / (decrease) in Cash and Cash Equivalents (A+B+C) | | 882.11 | (1,241.73) |
| | Cash and Cash Equivalents (Opening Balance) | | (4,679.52) | (3,437.79) |
| | Cash and Cash Equivalents (Closing Balance) | | (3,797.41) | (4,679.52) |
| | Cash and Cash Equivalents | | | |
| | a)Note no:8 | | 27.96 | 32.08 |
| | b)Standing credit facility- note no:15 | | (3,825.37) | (4,711.60) |
| | Cash and Cash Equivalents | | (3,797.41) | (4,679.52) |

Accompanying notes form an integral part of the financial statements .

On behalf of the Board

In terms of our report of even date attached
For G.Basu & Co.
Chartered Accountants
FRN 301174E

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. : 22054702AJXYOO8698
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

# AI CHAMPDANY INDUSTRIES LIMITED
## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

**Rs. in lacs**

| | | Notes | Year ended 2021-2022 | Year ended 2020-2021 |
|---|---|---|---|---|
| I | Revenue from Operations | 20 | 4,436.42 | 6,635.89 |
| II | Other Income | 21 | 485.56 | 595.98 |
| III | Total Income | | 4,921.98 | 7,231.87 |
| IV | EXPENSES | | | |
| | Cost of Materials Consumed | | 2,089.32 | 3,000.73 |
| | Purchase of Stock-in- Trade | | 212.90 | 580.33 |
| | Changes in Inventories of Finished Goods, Work-in Progress and Stock in Trade | 22 | 125.38 | (80.64) |
| | Employee benefits Expenses | 23 | 1,444.16 | 3,012.98 |
| | Finance Cost | 24 | 585.23 | 590.03 |
| | Depreciation and Amortization Expenses | | 340.32 | 359.79 |
| | Other Expenses | 25 | 832.75 | 1,493.88 |
| | Total Expenses | | 5,630.05 | 8,957.11 |
| V | Profit/(Loss) Before Exceptional Items and tax | | (708.08) | (1,725.24) |
| VI | Exceptional Items | | (10.64) | - |
| VII | Profit/(Loss) Before Tax | | (718.71) | (1,725.24) |
| VIII | Tax Expenses | | | |
| | Current Tax | | - | - |
| | MAT Credit Available | | - | - |
| | Adjustment relating to earlier years (Taxes) | | 2.41 | - |
| | Deferred Tax Expense/(Income) | | (386.30) | 18.30 |
| IX | Profit/(Loss) for the Period/year | | (334.82) | (1,743.54) |
| X | Other Comprehensive Income | | | |
| | i)Items that will be reclassified to profit/(loss) | | - | - |
| | ii)Tax relating to Items that will be reclassified to profit/(loss) | | - | - |
| | iii)Items that will not be reclassified to profit/(loss) | | 614.39 | 1,064.93 |
| | iv)Tax relating to Items that will not be reclassified to profit/(loss) | | (157.51) | (275.04) |
| | Total other comprehensive Income | 21A | 456.88 | 789.89 |
| XI | Total Comprehensive Income | | 122.06 | (953.65) |
| | Net profit attributable to: | | | |
| | Owners of the Holding Company | | (329.69) | (1,744.43) |
| | Non-controlling interest | | (5.13) | 0.90 |
| | Other comprehensive income attributable to: | | | |
| | Owners of the Holding Company | | 456.96 | 789.76 |
| | Non-controlling interest | | (0.08) | 0.13 |
| | Total comprehensive income attributable to: | | | |
| | Owners of the Holding Company | | 127.28 | (954.67) |
| | Non-controlling interest | | (5.21) | 1.03 |
| XII | Earnings per share(face value of Rs 5 each) | | | |
| | Basic and Diluted(Rs) | | (1.13) | (5.71) |
| XIII | Significant Accounting Policies | 1 | | |

Accompanying notes form an integral part of the financial statements .

In terms of our report of even date attached

For G.Basu & Co.
Chartered Accountants
FRN 301174E

On behalf of the Board

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. : 22054702AJXYOO8698
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

## AI CHAMPDANY INDUSTRIES LIMITED
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022 (Consolidated)

**A. Equity Share Capital** **Rs in lacs**

| Balance as at March 31,2021 | Changes in Equity share capital during the year | Balance as at March 31,2022 |
|---|---|---|
| 1537.69 | - | 1537.69 |
| Balance as at March 31,2020 | Changes in Equity share capital during the year | Balance as at March 31,2021 |
| 1537.69 | - | 1537.69 |

**B. Other Equity** Rs in lacs

| Particulars | Security Premium Reserve | Capital Reserve | Capital Redemption Reserve | Revaluation Reserve | General Reserve | Retained Earnings | Equity Instruments through OCI | Total |
|---|---|---|---|---|---|---|---|---|
| **For Financial Year 2020-2021** | | | | | | | | |
| Balance as on 01.04.20 | 3,754.89 | 27.64 | 250.00 | 2,149.85 | 2,834.00 | (2,623.52) | (91.49) | 6,301.37 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | - | (3.70) | - | (14.25) | - | - | - | (17.95) |
| Less Minority Interest | | | | | | | | - |
| Non Current Instrument | | | | | | - | 9.49 | 9.49 |
| (Routed through OCI) | | | | | | | 0.60 | 0.60 |
| Actuarial Impact on gratuity | | | | | | 779.67 | | 779.67 |
| (Routed through OCI) | | | | | | - | | - |
| Profit for the year | | | | | | (1,744.44) | | (1,744.44) |
| **Balance as on 31.03.21** | **3,754.89** | **23.94** | **250.00** | **2,135.60** | **2,834.00** | **(3,588.29)** | **(81.40)** | **5,328.75** |
| For Financial Year 2021-2022 | | | | | | | | |
| Balance as on 01.04.21 | 3,754.89 | 23.94 | 250.00 | 2,135.60 | 2,834.00 | (3,588.29) | (81.40) | 5,328.75 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | | (3.70) | | (16.44) | | | | (20.14) |
| Less Minority Interest | | | | | | | | - |
| Non Current Instrument | | | | | | | - | - |
| (Routed through OCI) | | | | | | | 10.46 | 10.46 |
| Actuarial Impact on gratuity | | | | | | 446.50 | | 446.50 |
| (Routed through OCI) | | | | | | | | |
| Profit for the year | | | | | | (329.69) | | (329.69) |
| **Balance as on 31.03.22** | 3,754.89 | 20.24 | 250.00 | 2,119.16 | 2,834.00 | (3,471.48) | (70.94) | 5,435.89 |

For G.Basu & Co.
Chartered Accountants
FRN 301174E

N. Pujara
Whole Time Director
DIN:00047803

G Guha
Partner
Membership No.054702
UDIN No. : 22054702AJXYOO8698
Kolkata, 30th May 2022

Gopal Sharma
Company Secretary &
Compliance Officer

Lalanjee Jha
Executive Director & CFO
DIN: 08972636

Mrityunjoy Banerjee
Director
DIN:08600440

## AI CHAMPDANY INDUSTRIES LIMITED

**Consolidated Segmentwise revenue, results, assets and liabilities for the year ended March 31,2022**

**Rs. in lacs**

| Sl. No. | Particulars | 31.03.2022 Audited | 31.03.2021 Audited |
|---|---|---|---|
| 1 | **Segment Revenue** | | |
| | a. Jute/ Jute Diversified Products /securities &Services | 3,341.36 | 6,118.01 |
| | b. Flax Products | 1,095.06 | 517.88 |
| | Revenue from operations | 4,436.42 | 6,635.89 |
| 2 | **Segment Results** | | |
| | a. Jute/ Jute Diversified Products & Services | (625.23) | 556.59 |
| | b. Flax products | 21.63 | (380.36) |
| | Sub total | (603.60) | 576.97 |
| | Less : Finance costs | 590.03 | 590.02 |
| | Less: Un-allocable expenditure net off un-allocable (income)/expenditur | (485.56) | (595.97) |
| | | (708.07) | (1,725.25) |
| | Exceptional Items | - | |
| | Profit/(Loss) before tax | (708.07) | (1,725.25) |
| | Less:Tax expenses | (383.89) | 18.30 |
| | Net Profit/(Loss) for the period / year | (324.18) | (1,743.55) |
| | i)Items that will be reclassified to profit/(loss) | - | - |
| | II)Tax relating to Items that will be reclassified to profit/(loss) | - | - |
| | iii)Items that will not be reclassified to profit/(loss) | 614.39 | 1,064.93 |
| | iv)Tax relating to Items that will not be reclassified to profit/(loss) | (157.51) | (275.04) |
| | Total Comprehensive Income | 132.70 | (953.66) |
| 3 | **Segment Assets** | | |
| | a. Jute/ Jute Diversified Products & Services | 27,487.70 | 27,474.49 |
| | b. Flax products | 3,754.84 | 3,991.13 |
| | c. Unallocated Assets | 289.31 | 285.58 |
| | Total | 31,531.85 | 31,751.20 |
| 4 | **Segment Liabilities** | | |
| | a. Jute/ Jute Diversified Products & Services | 19,432.89 | 20,620.60 |
| | b. Flax products | 4,111.72 | 3,573.60 |
| | c. Unallocated Liabilities | 857.63 | 529.30 |
| | Total | 24,402.25 | 24,723.51 |

**AI CHAMPDANY INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH 2022**

## 1. Significant Accounting Policies to the Abridged Financial Statements for the year ended 31st March 2022

### 1.1. CORPORATE AND GENERAL INFORMATION

The Parent Company,AI Champdany Industries Ltd. ("the Company") is a public limited company domiciled in India and has its listing on the BSE Limited. The company assumed its present status including name in 2006 after series of merger, the oldest of the parties to merge being Champdany Jute Company Ltd. established in 1873. The Company belongs to a renowned industrial house of Kolkata, the "Wadhwa Group" which took over controlling stake in 1967 from foreign management. The registered office of the Company is situated in Kolkata. The Company's principal business is manufacturing and trading of jute products. The parent has only one subsidiary named Champdani Constructions Limited. The group has no associate or jointly controlled entity.

## 2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT

### 2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet since 1st April, 2016 i.e the "First Time Adoption of Indian Accounting Standards" under IND AS-101.

### 2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities are measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Derivative Financial Instruments are measured at fair value;
- Defined Benefit Plans – plan assets are measured at fair value.

### 2.3. Functional and Reporting Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

### 2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### 2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division-II of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, and various stipulation of Ind AS are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

### 2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current and non-current depending on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1.The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

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

All the other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

**2.7. Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in best of their economic interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 2 — Inputs of lowest level that is significant to fair value measurement are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs of lowest level that is significant to fair value measurement are unobservable for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuer is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and maintenance of professional standards.

Transfer of assets and liabilities (recognized on recurring basis), if occurs between the levels of hierarchy are determined by re-assessing categorization (based on lowest level input that is significant for fair value measurement as a whole) at the end of each reporting period.

The company determines policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value and non-recurring measurement such as assets held for distribution in discontinued operation.

**2.8. PRINCIPLES OF CONSOLIDATION:**

(a) Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from investment with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from that date that control ceases.

(b) Proportionate Networth of Subsidiaries belonging to minority Shareholders is accounted for under non controlling interest.

(c) The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income & expenses. Intercompany transactions, balances & unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides the evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.

(d) Consolidated herein is the accounts of Champdany Construction Ltd., a wholly owned subsidiary is situated at 33,Chittaranjan Avenue , Kolkata- 700012

**3. ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**3.1. INVENTORIES**

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of sale.

Cost formulae are as follows:

| **Particulars** | **Cost Formula** |
|---|---|
| Raw Material, Consumable Stores & Spares, | Weighted average basis. |
| Stock-in-trade | On FIFO basis |
| Finished Goods & Work-in-Progress | At cost of input (on FIFO basis) plus labour and related manufacturing overhead including depreciation. |
| Scrap Materials | At net realizable value. |
| Securities | On FIFO basis |

**3.2. 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 change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. However, Bank overdrafts are shown within short term borrowings in the balance sheet.

**3.3. INCOME TAX**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that these relate to items recognised in other comprehensive income or directly attributable to equity. In these cases, the tax is also recognised in other comprehensive income or in statement of change in equity, respectively.

**3.3.1.Current Tax:**

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates applicable to the reporting period.

**3.3.2.Deferred Tax**

- Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized using balance sheet approach on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in statement of change in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**3.4. PROPERTY, PLANT AND EQUIPMENT**

**3.4.1.<u>Tangible Assets</u>**

**3.4.1.1.<u>Recognition and Measurement:</u>**

- Property, plant and equipment & Investment Property have been carried under cost model.
- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet under cost model i.e. cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Such costs include borrowing cost if recognition criteria are met.
- If significant parts of an item of property, plant and equipment including their major components have different useful lives, then they are accounted for as separate items of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

**3.4.1.2.Subsequent Measurement:**

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

**3.4.1.3.Depreciation and Amortization:**

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the asset and useful life of that part is different from the remaining useful life of the asset, depreciation is provided thereon on straight line method based on internal assessment and independent technical evaluation carried out by external valuer.
- Depreciation on additions/disposals during the year is provided on pro-rata basis depending on the usage period of asset since/upto the date of installation/disposal.
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**3.4.1.4.Disposal of Assets**

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

**3.4.1.5.Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

**3.5. LEASES**

3.5.1. Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself) is treated as finance lease.

No lease deal in which the company is a party as lessor is recognized as finance lease unless lease period is by an large commensurate with the life span of the assets given on lease in terms of schedule II of the Companies Act, 2013.

Lease arrangement of any other nature is treated as operating lease.

3.5.2. In case of finance lease, the value of concerned noncurrent assets / liability is determined at the point of commencement of lease by way of adding initial payment with discounted value of future lease installment during life span of lease in terms of interest rate implicit in the lease or incremental borrowing rate, if the former is not practicable to determine.

3.5.3. Expenses/Income under operating lease are more or less same as that of rental income/payment accounted for on accrual basis unless an escalation clause forms integral part of lease agreement in which case income booking is appropriately averaged.

3.5.4. Depreciation on leasehold assets is provided on straight line method over the period of lease.

**3.6. RECOGNITION OF INCOME AND EXPENSES**

3.6.1. Revenue from Contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. This variable consideration is estimated based on the expected valueof outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**3.6.2. Sale of Products:**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of products is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

3.6.3. Sales are measured at the fair value of consideration received or receivable. Sales recognized is net of GST, intermediary sales, rebates.

3.6.4. Dividend for distribution is accounted for at the point of approval by relevant authority with due disclosure in financial statements of dividend declared/recommended/proposed pending distribution.

3.6.5. Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

3.6.6. Dividend income is accounted when the company's right to receive the payment is established, which is generally when the appropriate authority approves the dividend.

**3.7. EMPLOYEE BENEFITS**

**3.7.1.Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. 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 employees' services up to the end of the reporting period.

**3.7.2.Other Long Term Employee Benefits**

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

**3.7.3.Post Employment Benefits**

The Company operates the following post employment schemes:

- **Defined Contribution Plan**

  Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

- **Defined Benefit Plans (Gratuity)**

  The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

  The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

**3.8. GOVERNMENT GRANTS**

Government grants are recognized at their fair value, 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.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

**3.9. FOREIGN CURRENCY TRANSACTIONS**

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

**3.10.BORROWING COSTS**

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

**3.11.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.

**3.11.1.Financial Assets**

- Recognition and Initial Measurement:

  All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

  Financial assets are classified, at initial recognition as financial assets measured at fair value or financial assets at amortized cost.
- <u>Classification and Subsequent Measurement:</u>

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

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - Business Model Test
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - Cash Flow Characteristic Test.
  - The contractual terms of the financial 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 (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

o Business Model Test:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

o Cash Flow Characteristic Test:

- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- o Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ Derecognition:

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- Impairment of Financial Assets:

  The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**3.11.2.Financial Liabilities**

- Recognition and Initial Measurement:

  Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. 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.

- Subsequent Measurement:

  Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- Financial Guarantee Contracts:

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

- Derecognition:

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

**3.11.3. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

**3.11.4. Derivative financial instruments:**

The Company deals in derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**3.12.Earnings Per Share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders bythe weighted average number of equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potentialequity shares by the weighted average number of equity shares outstanding during the year plus the weighted averagenumber of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**3.13. Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**3.14.Provisions, Contingent Liabilities and Contingent Assets**

**3.14.1.Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**3.14.2. Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

**3.14.3.Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

**3.15.Intangible Assets**

**3.15.1. <u>Intangible Assets are initially recognized at:-</u>**

1) In case the assets are acquired separately, then at cost
2) In case the assets are acquired in a business combination then at fair value.
3) In case the assets are internally generated then at capitalized development cost subject to satisfaction of criteria of recognition (identifiability, control and future economic benefit) laid down from clause 11 to 17 of IND AS 38.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

3.15.2. Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with infinite useful life including goodwill are tested for impairment annually.

3.15.3. Intangible assets with finite useful life are amortized over the useful economic life on a straight line basis.

3.15.4. Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

**3.16.Non-Current Assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

**3.17. Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified two reportable segmentsi.e. Jute/Jute diversified products & Services & ‘flax products’ based on the information reviewed by the CODM

**3.18. Business Combination under IND AS-103 and Consolidation under IND AS-110**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group control an entity when the Group is exposed to, for has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income (“OCI”)) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intercompany transactions, balances and un-realized gains/losses on transactions between group Companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The stake of outside shareholders in equity (including reserves and surplus) of subsidiaries appear under the head of non-controlling interest in terms of their proportionate stake in equity.

**4. RECENT ACCOUNTING PRONOUNCEMENTENTAILING INSERTION/MODIFICATION OF NEW/EXISTING STANDARDS**

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards has been notified which will be applicable from April 1, 2021 or thereafter.

**New Standards/Amendments applied during the year in respect of Company’s Financial Statements:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116- leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2019.

a. IND AS 116, Leases- The Company has adopted this Ind AS w.e.f April 1, 2019.

b. IND AS 12, Income taxes- on application of appendix C on uncertainty over income tax treatments. The company has adopted the amendments w.e.f April 1, 2019. The impact of this amendment is not material.

c. IND AS 23, Borrowing Costs- Laying down specific borrowing costs to be considered for capitalization. The company has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

d. IND AS 19, Employee Benefits- Dealing with plan amendment, curtailment or settlement pertaining to defined benefit plan.The company has adopted the amendments w.e.f April 1, 2019. As there is no major change in Defined Benefit plans, the effect of this amendment is not material.

## 5. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost or fair value annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Sales Return:** The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

**2. Property, Plant and Equipment**

**a) for year ended on 31March 2022** **Rs in lacs**

| | GROSS BLOCK AT COST / VALUATION | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Particulars of Assets** | **As at 1 'April 2021** | **Additions during the year** | **Sales / Adjustments during the year** | **As at 31 Mar 2022** | **As at 1 'April 2021** | **For the year** | **On assets sold/adjusted during the year** | **As at 31 Mar 2022** | **As at 31 Mar 2022** | **As at 31 Mar 2021** |
| Freehold Land | 2,179.19 | - | - | 2,179.19 | - | - | - | - | 2,179.19 | 2,179.19 |
| Leasehold Land | 27.37 | - | - | 27.37 | 2.89 | 0.57 | - | 3.46 | 23.91 | 24.48 |
| Buildings | 1,415.45 | - | 16.90 | 1,398.55 | 298.14 | 62.87 | - | 361.01 | 1,037.54 | 1,117.31 |
| Plant & Equipment | 3,103.43 | 230.34 | - | 3,333.77 | 1,642.85 | 291.07 | - | 1,933.92 | 1,399.85 | 1,460.78 |
| Vehicles | 15.49 | - | - | 15.49 | 8.66 | 1.63 | - | 10.29 | 5.20 | 6.83 |
| Furniture and Fixtures | 5.54 | - | - | 5.54 | 2.80 | 0.15 | - | 2.95 | 2.59 | 2.74 |
| Office Equipments | 7.42 | - | - | 7.42 | 3.32 | 0.47 | - | 3.79 | 3.63 | 4.10 |
| Non Serviceable Fixed Assets | 2,057.18 | - | 200.67 | 1,856.51 | | - | | | 1,856.51 | 2,057.18 |
| **Total** | **8,811.07** | **230.34** | **217.57** | **8,823.84** | **1,958.66** | **356.76** | **-** | **2,315.42** | **6,508.43** | **6,852.61** |
| Capital work in progress | 942.51 | - | 85.38 | | 857.12 | | | | 857.12 | 942.51 |

**b) As at 31 March 2021** **Rs in lacs**

| | GROSS BLOCK AT COST / VALUATION | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Particulars of Assets** | **As at 1 'April 2020** | **Additions during the year** | **Sales / Adjustments during the year** | **As at 31 Mar 2021** | **As at 1 'April 2020** | **For the year** | **On assets sold/adjusted during the year** | **As at 31 Mar 2021** | **As at 31 Mar 2021** | **As at 31 Mar 2020** |
| Freehold Land | 2,179.19 | - | - | 2,179.19 | - | - | - | - | 2,179.19 | 2,179.19 |
| Leasehold Land | 27.37 | - | - | 27.37 | 2.32 | 0.57 | - | 2.89 | 24.48 | 25.05 |
| Buildings | 1,415.45 | - | - | 1,415.45 | 237.45 | 60.69 | - | 298.14 | 1,117.31 | 1,178.00 |
| Plant & Equipment | 3,103.43 | - | - | 3,103.43 | 1,332.40 | 310.45 | - | 1,642.85 | 1,460.78 | 1,771.03 |
| Vehicles | 15.49 | - | - | 15.49 | 7.03 | 1.63 | - | 8.66 | 6.83 | 8.46 |
| Furniture and Fixtures | 5.54 | - | - | 5.54 | 2.62 | 1.18 | - | 2.80 | 2.74 | 2.92 |
| Office Equipments | 7.42 | - | - | 7.42 | 2.80 | 0.52 | - | 3.32 | 4.10 | 4.62 |
| Non Serviceable Fixed Assets | 2,057.18 | - | - | 2,057.18 | - | - | - | - | 2,057.18 | 2,057.18 |
| **Total** | **8,811.07** | **-** | **-** | **8,811.07** | **1,584.62** | **375.03** | **-** | **1,958.65** | **6,852.70** | **7,226.46** |
| Capital work in progress | 942.51 | | | 942.51 | | | | | 942.51 | 942.51 |

air value of investment property based on last valuation report is Rs 36420.15 lacs which is subject to revaluation in each 5 years.

| | | 31.03.2022 | 31.03.2021 |
|---|---|---|---|
| | | | Rs in lacs |
| 3 | **Investments** | | |
| | Investment in Equity Instruments | | |
| | Fully paid | | |
| | **Quoted** | | |
| | Aptech Limited : 10,300 Equity shares of Rs 10 each | 35.07 | 19.19 |
| | **Unquoted** | | |
| | National Electronics Private Limited :250 Equity shares of Rs 100 each | 1.06 | 1.13 |
| | Eastern Services Limited:2,500 Equity Shares of Rs 10 each | 0.05 | 0.06 |
| | Circus Avenue Properties Private Limited : 2,500 Shares of Rs 10 each | 14.27 | 14.63 |
| | Libra Transport Limited :200 Equity Shares of Rs 100 each | 0.15 | 0.17 |
| | Coopers Capital Markets Limited :,1,000 Shares of Rs 100 each | 0.63 | 0.63 |
| | Landale & Clark Limited : 3,140 Shares of Rs 100 each | 4.60 | 4.60 |
| | A I C Properties Limited : 5000 Shares of Rs 10each | 0.17 | 0.17 |
| | Naffar Chandra Jute Mills Limited : 50,000 Shares of Rs. 10 each | 0.04 | 0.04 |
| | Woodlands Multispeciality Hospital imited : 3600 Equity Shares of Rs 10 each | 20.98 | 20.98 |
| | West Range Properties Private Limited : 72,000 Equity Shares of Rs 10 each | 12.53 | 16.94 |
| | | 89.55 | 78.54 |
| | 1) Aggregate amount of quoted investment | 3.67 | 3.67 |
| | 2) Aggregate market value of quoted investment | 35.07 | 19.19 |
| | 3) Aggregate amount of unquoted investment | 54.48 | 59.35 |
| | 4) Aggregate amount of impairment in value of investments | 4.62 | 4.62 |

| | | | Rs in lacs |
|---|---|---|---|
| 4 | **Other Non Current Assets** | **31.03.2022** | **31.03.2021** |
| | Advance Payment of Income Tax | 45.81 | 65.13 |

| | | | Rs in lacs |
|---|---|---|---|
| 5 | **Inventories** | **31.03.2022** | **31.03.2021** |
| | Raw Materials | 343.90 | 317.63 |
| | Work-in-Progress | 1,222.42 | 1,328.68 |
| | Finished goods | 12,774.83 | 12,793.95 |
| | Stock- in-Trade | 45.60 | 45.57 |
| | Stores and Spares | 669.51 | 664.39 |
| | Scrap | 31.90 | 31.90 |
| | | 15,088.16 | 15,182.15 |
| | Finished goods includes material in transit | - | - |

Rs in lacs

| 6 | **Current Investment** | Face Value | No of shares | 31.03.2022 | Face Value | No of shares | 31.03.2021 |
|---|---|---|---|---|---|---|---|
| | Balkrishna Industries Ltd | 2 | - | - | 2 | 60.00 | - |
| | Bharat Electronics Ltd | 1 | - | - | 1 | 783.00 | - |
| | Castrol India Ltd | 5 | - | - | 5 | 834.00 | - |
| | Mahindra & Mahindra | 5 | - | - | 5 | 3,475.00 | - |
| | Moil Ltd | | | | | | |
| | Monte Carlo Ltd | 10 | 6.00 | 0.02 | 10 | 6.00 | 0.02 |
| | Reliance Industries Ltd (Bonus) | 10 | - | - | 10 | 1,476.00 | - |
| | Talbros Engg Ltd | 10 | - | - | 10 | 2,000.00 | - |
| | Tata Elxsi Ltd | 10 | - | - | 10 | 2,000.00 | - |
| | Vakrangee Ltd | 1 | - | - | 1 | 3,965.00 | - |
| | | | | 0.02 | | | 0.02 |

| | | | Rs in lacs |
|---|---|---|---|
| 7 | **Trade Receivables(Unsecured)** | **31.03.2022** | **31.03.2021** |
| | Considered good | 1,506.95 | 1,585.31 |
| | Significant increase in credit risk | 18.88 | 18.88 |
| | | 1,525.83 | 1,604.19 |
| | Less:Allowance for doubtful debts | 18.88 | 18.88 |
| | | 1,506.95 | 1,585.31 |

**8 Cash and cash equivalents** (Rs in lacs)

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Balance with banks | 1.92 | 19.18 |
| Cash in hand | 26.04 | 12.90 |
| | 27.96 | 32.08 |

**8A Loans** (Rs in lacs)

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Security Deposit | | |
| Unsecured Considered good | 211.87 | 211.87 |

**8B Others** (Rs in lacs)

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Claim receivable | 4,048.05 | 4,044.95 |
| Derivative instruments | - | 3.53 |
| Interest Accured on Fixed Deposit | 183.80 | 168.23 |
| | 4,231.85 | 4,216.71 |

**8C Current Tax Assets** (Rs in lacs)

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Advance payment of Taxes | 153.92 | 141.89 |

**9 Other current assets** (Rs in lacs)

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| Prepaid expenses | 134.21 | 137.90 |
| Loan to employees | 7.88 | 9.37 |
| Other Loans and Advances | 812.74 | 1,021.84 |
| Deposit with Goverment Authorities | 134.61 | - |
| | 1,089.45 | 1,169.11 |

**10 SHARE CAPITAL** (Rs in lacs)

| | Par Value Rs | 31.03.2022 | | | 31.03.2021 | | |
|---|---|---|---|---|---|---|---|
| **I) Authorised** | | | | | | | |
| 3,10,00,000Equity Shares | 5 | | 1,550.00 | | | | 1,550.00 |
| 1,32,50,0000.1% Preference Shares | 10 | | 1,325.00 | | | | 1,325.00 |
| 1,25,00,0002% Preference Shares | 5 | | 625.00 | | | | 625.00 |
| | | | 3,500.00 | | | | 3,500.00 |
| **ii)Equity share capital** | | | | | | | |
| Issued,Subscribed and fully paid | | | | | | | |
| 30,753,831(27,420,831)Equity Shares | 5 | | | 1,537.69 | 5 | 1,537.69 | |
| 12,414,353 2% Peference sShares | | 5 | 620.72 | | | 5 | 620.72 |
| Less: Transferred to Non current Borrowings | | | 620.72 | | | | 620.72 |
| 1,32,50,000 0.1% Peference sShares | | 10 | 1,325.00 | | | 10 | 1,325.00 |
| Less: Transferred to Non current Borrowings | | | 1,325.00 | | | | 1,325.00 |
| | | | | 1,537.69 | | 1,547.69 | |

i) Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

ii) The company has alloted 12,414,353 non-convertible 2% Cumulative Preference Shares of Rs 5 each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotement with a locking period of 3 years. Preference shareholders are entitled to get fixed rate of dividend in preference to the equity share but are not entitled to vote at General Meeting of the Company unless dividend has been in arrears for the prescribed minimum period.

iii) The company has alloted 1,32,50,000 non-convertible 0.1% Non-Cumulative Preference Shares of Rs 10 each on 20.02.2020 which are redeemable at the end of 20 years at par.

iv) Pursuant to Section 13, 61 and all other applicable provisions, under the Companies Act, 2013 the Authorised capital of the Company comprising of 4,00,00,000 Equity shares of Rs. 5 each , 30,00,000 7% Cumulative Preference Shares of Rs. 10 each and 2,40,00,000 2% Cumulative Preference Shares of Rs. 5 each has been reclassified to 3,10,00,000 Equity Shares of Rs. 5 each and 1,25,00,000 2% Cumulative Preference Shares of Rs. 5 each and 1,32,50,000 0.1% preference shares of Rs. 10 each.

**iii) Reconciliation of number of shares** **31.03.2022**

| | Equity shares of Rs 5 each | Rs in lacs | 2% Cumulative Preference shares of Rs 5 each | Rs in lacs | 0.1% Cumulative Preference shares of Rs 5 each | Rs in lacs |
|---|---|---|---|---|---|---|
| Outstanding as at April1,2020 | 2,74,20,831 | 1,371.04 | 1,24,14,353 | 620.72 | - | - |
| Issued and Alloted during the Previous Year | 33,33,000 | 166.65 | - | - | - | - |
| Outstanding as at March31/April1,2021 | 3,07,53,831 | 1,537.69 | 1,24,14,353 | 620.72 | - | - |
| Issued and Alloted during the year | - | - | - | - | 1,32,50,000 | 1,325 |
| Outstanding as at March 31,2022 | 3,40,86,831 | 1,537.69 | 1,24,14,353 | 620.72 | 1,32,50,000 | 1,325 |

iv) Shareholders holding more than 5% shares in the Company

| | 31.03.2022 | | 31.03.2021 | |
|---|---|---|---|---|
| | No of Shares | % Holding | No of Shares | % Holding |
| I Equity Shares of Rs 5 each | | | | |
| Aldgate International S A | 42,66,666 | 13.87 | 42,66,666 | 13.87 |
| Blancatex A G | 42,66,666 | 13.87 | 42,66,666 | 13.87 |
| Rishra Investments Ltd | 49,48,832 | 16.09 | 49,48,832 | 16.09 |
| Shibir India Ltd | 40,62,595 | 13.21 | 40,62,595 | 13.21 |
| Amar Investments Ltd | 36,56,619 | 11.89 | 36,56,619 | 11.89 |
| Damodardas Jerambhai Wadhwa | 38,34,942 | 12.47 | 26,45,642 | 8.60 |
| Canara Bank | 19,49,332 | 6.34 | 19,49,332 | 6.34 |
| II 2% Cumulative Preference Shares of Rs 5 each | | | | |
| Amar Investments Ltd | 96,64,450 | 77.85 | 96,64,450 | 77.85 |
| Canara Bank | 19,49,332 | 15.70 | 19,49,332 | 15.70 |
| III 0.1% Non-Cumulative Preference Shares of Rs 10 each | | | | |
| Amar Investments Ltd | 32,50,000 | 24.52 | 32,50,000 | 24.52 |
| Shibir India Ltd | 50,00,000 | 37.74 | 50,00,000 | 37.74 |
| Rishra Investments Ltd | 50,00,000 | 37.74 | 50,00,000 | 37.74 |

**11. Other Equity**

Rs in lacs

| Particulars | Security Premium Reserve | Capital Reserve | Capital Redemption Reserve | Revaluation Reserve | General Reserve | Retained Earnings | Equity Instruments through OCI | Total |
|---|---|---|---|---|---|---|---|---|
| For Financial Year 2020-2021 | | | | | | | | |
| Balance as on 01.04.20 | 3,754.89 | 27.64 | 250.00 | 2,149.85 | 2,834.00 | (2,623.52) | (91.49) | 6,301.37 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | - | (3.70) | - | (14.25) | - | - | - | (17.95) |
| Less Minority Interest | | | | | | | | - |
| Non Current Instrument | | | | | | - | 9.49 | 9.49 |
| (Routed through OCI) | | | | | | | 0.60 | 0.60 |
| Actuarial Impact on gratuity | | | | | | 779.67 | | 779.67 |
| (Routed through OCI) | | | | | | - | | - |
| Profit for the year | | | | | | (1,744.44) | | (1,744.44) |
| **Balance as on 31.03.21** | **3,754.89** | **23.94** | **250.00** | **2,135.60** | **2,834.00** | **(3,588.29)** | **(81.40)** | **5,328.75** |
| For Financial Year 2021-2022 | | | | | | | | |
| Balance as on 01.04.21 | 3,754.89 | 23.94 | 250.00 | 2,135.60 | 2,834.00 | (3,588.29) | (81.40) | 5,328.75 |
| Adjustment for the Year against depreciation on revalued component of Fixed assets | | (3.70) | | (16.44) | | | | (20.14) |
| Less Minority Interest | | | | | | | | - |
| Non Current Instrument | | | | | | | - | - |
| (Routed through OCI) | | | | | | | 10.46 | 10.46 |
| Actuarial Impact on gratuity | | | | | | 446.50 | | 446.50 |
| (Routed through OCI) | | | | | | | | |
| Profit for the year | | | | | | (329.69) | | (329.69) |
| **Balance as on 31.03.22** | **3,754.89** | **20.24** | **250.00** | **2,119.16** | **2,834.00** | **(3,471.48)** | **(70.94)** | **5,435.89** |

Footnotes

a) Capital Reserve: Amount is meagre and as such hardly is going to serve any material purpose.

b) Capital Redemption Reserve: The Company has recognised capital redemption reserve on redemption of prefence shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the preference shares redeemed. The purpose of these reserve is for issuance of bonus shares as and when declared.

c) Securities Premium: the amount received in excess of face value of the equity shares is recognised in securities premium. The purpose reserve is for issuanace of bonus shares as and when declared or amortization of preliminary expenses

d) General Reserve: the reserve arises on transfer from retained earnings/ statement of profit and loss. The purpose of retention of such reserve is for identification of free reserve for use of same when deemed necessary in ways authorised by Companies Act/rule including issuance of bonus shares.

e) Retained Earnings: retained earnings generally represents the undistributed profit accumulated over the years.

f) Equity Instruments through OCI: the company as recognised changes in the fair value of certain investments in equity instruments ( net of deferred tax applicable thereon) in other comprehensive income for the purpose of utilising same at the point of disposal of relevant investment as and when done at a future date.

g) Revaluation Reserve: created in the past through revaluation of certain assets. Purpose of retention of same is for utilisation at the point of disposal of corresponding assets.

**Rs in lacs**

| **11A Non-Controlling Interest** | **31.03.2022** | **31.03.2021** |
|---|---|---|
| Share Capital | 145.84 | 145.84 |
| Retained Earnings | 10.27 | 14.50 |
| Current Years Profit | - | 0.90 |
| Other Reserves (OCI) | (0.07) | 0.01 |
| | 156.04 | 161.25 |

**Rs in lacs**

| **12 Borrowings** | **31.03.2022** | **31.03.2021** |
|---|---|---|
| a)Secured Term loan from Banks* | 311.53 | 608.72 |
| b)Unsecured loan from companies | 319.01 | 319.01 |
| c)2% cummulative non-convertible redeemable preferance shares | 620.72 | 620.72 |
| d)0.1% Non-cummulative non-convertible redeemable preferance shares | 1,325.00 | 1,325.00 |
| | 2,576.26 | 2,873.45 |

*Loan is secured by first charge on the entire fixed assets of the company,present and future and second charge on the entire current assets of the company,present and future ranking pari-passu among Bank of Baroda , Bank of Maharashtra, Indian Bank (Erstwhile Allahabad Bank) and IDBI Bank.

**Rs in lacs**

| **13 Other financial liabilities** | **31.03.2022** | **31.03.2021** |
|---|---|---|
| a)Other payable | 200.25 | 113.29 |
| b)Others | 11,317.99 | 10,634.50 |
| | 11,518.23 | 10,747.79 |

**14 Deferred Tax** **Rs in lacs**

| | Recognised in Balance Sheet | | Recognised In Profit & Loss | | Recognised In OCI | |
|---|---|---|---|---|---|---|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| Arising out of PPE | (682.04) | (700.74) | 18.70 | (287.74) | | |
| Expenses allowable on payment basis | 6.29 | 6.29 | - | - | | |
| Other items giving rise to temporay differences | 467.21 | 256.49 | 367.60 | 269.44 | (156.88) | (273.94) |
| Finance Lease | | | | | | |
| Gratuity | | | | | | |
| Mark to Market forward contracts [4] | (0.73) | (0.10) | | - | (0.63) | (1.10) |
| Fair Valuation of financial instruments | | | | | | |
| Deferred tax asset/(liability) | (209.27) | (438.06) | 386.30 | (18.30) | (157.51) | (275.04) |

The aggregate of Unabsorbed depreciation upto Assessment Year 2017-18 of Rs. 1337 lacs against which deffered Tax Amounting to Rs. 334.25 lacs has been recognised.

No deffered Tax has been recognised against cash loss as a messured of abundant precaution

| 14A Other current liabilities | 31.03.2022 | 31.03.2021 |
|---|---|---|
| | | **Rs in lacs** |
| Advance against Capital Asset | 1,500.00 | - |
| | 1,500.00 | - |

| 15 Borrowings | 31.03.2022 | 31.03.2021 |
|---|---|---|
| | | **Rs in lacs** |
| Secured loan payable on demand from Bank | | |
| Cash credit(including packing credit) | 3,825.37 | 4,711.60 |
| | 3,825.37 | 4,711.60 |

* Secured by hypothecation of inventories, book debts and other current assets by way of first charge and second charge of fixed assets and pledge of shares of Champdany Constructions Ltd (a wholly owned subsidiary) ranking pari-passu among banks in consortium ie Bank of Baroda,Indian Bank (Erstwhile Allahabad Bank),Bank of Maharashtra and IDBI Bank Ltd.

| | 31.03.2022 | 31.03.2021 |
|---|---|---|
| | | **Rs in lacs** |
| **16 Trade Payable** | 3,656.61 | 3,963.07 |

According to bills,challans and correspondences of suppliers non is observed to fall within the purview of Micro and small Enterprises within the meaning of MSMED Act 2006,bases on absence of disclosure to this effect by the suppliers being statutorily mandated.

| 17 Other financial liabilities | 31.03.2022 | 31.03.2021 |
|---|---|---|
| | | **Rs in lacs** |
| a)Current maturities of long term loan | - | 155.04 |
| b)Security Deposits | 36.76 | 32.12 |
| c)Employees related dues | 45.55 | 40.71 |
| | 82.30 | 227.89 |

| 18 Other current liabilities | 31.03.2022 | 31.03.2021 |
|---|---|---|
| | | **Rs in lacs** |
| a) Advance from customers | 329.42 | 442.20 |
| b) Statutory liabilities | 235.95 | 320.35 |
| | 565.37 | 762.56 |

| 19 Provisions | 31.03.2022 | 31.03.2021 |
|---|---|---|
| | | **Rs in lacs** |
| i)Gratuity | 395.88 | 899.08 |
| ii)Superannuation | 10.57 | 10.57 |
| iii)Bonus | 34.48 | 61.51 |
| iv)Income Tax | 27.64 | 27.63 |
| | 468.58 | 998.80 |

`

| 20 Revenue from operations | 2021-22 | 2020-21 |
|---|---|---|
| | | Rs in lacs |
| a)Sale of Product & Services | | |
| i)Export | 740.13 | 1,399.75 |
| ii)Domestic | 3,133.68 | 5,193.42 |
| b)Other operating revenue | - | - |
| i)Export incentives | 20.14 | 42.73 |
| ii) Insurance claim received | 303.81 | - |
| iii)Others | 238.66 | - |
| | 4,436.42 | 6,635.90 |

**21 Other Income**

Rs in lacs

| | 2021-22 | 2020-21 |
|---|---|---|
| Dividend Income | 0.23 | - |
| Rent Received | 19.73 | 31.04 |
| Interest Received | 98.30 | 36.39 |
| Net gain forward exchange contracts (M to M) | - | 32.36 |
| Others | 367.30 | 496.19 |
| | 485.56 | 595.98 |

**21A Other Comprehensive Income (OCI) Section**

Rs in lacs

| | 2021-22 | 2020-21 |
|---|---|---|
| (i) ltems that will not be reclassified to Profit/(Loss) | | |
| a) Re-measurement gains on defined benefit plans | 603.37 | 1,053.61 |
| b) Net fair value gain on investment in equity instruments through OCI | 11.02 | 11.32 |
| (ii) Deferred Tax relating to items that will not be reclassified to Profit/(Loss) | (157.51) | (275.04) |
| Income tax expenses/(income) reported in OCI | 456.88 | 789.89 |

**22 Changes in Inventories**

Rs in lacs

| | | 2021-22 | 2020-21 |
|---|---|---|---|
| Opening stock | | | |
| Finished Goods | | 12,793.95 | 12,638.12 |
| Work-in-Process | | 1,328.68 | 1,403.87 |
| Stock- in-Trade | | 53.67 | 53.67 |
| | **(A)** | 14,176.30 | 14,095.66 |
| Closing Stock | | | |
| Finished Goods | | 12,774.83 | 12,793.95 |
| Work-in-Process | | 1,222.42 | 1,328.68 |
| Stock- in-Trade | | 53.67 | 53.67 |
| | **(B)** | 14,050.92 | 14,176.30 |
| | **(A-B)** | 125.38 | (80.64) |

**23 Employees Benefits Expenses**

Rs in lacs

| | 2021-22 | 2020-21 |
|---|---|---|
| Salaries, Wages and Bonus | 1,210.46 | 2,555.59 |
| Contribution to Provident and other Funds | 208.03 | 446.78 |
| Employees welfare expenses | 25.66 | 10.61 |
| | 1,444.16 | 3,012.98 |

**24 Finance Cost**

Rs in lacs

| | 2021-22 | 2020-21 |
|---|---|---|
| Interest expenses | 505.75 | 524.77 |
| Bank and discounting charges on export | 79.47 | 65.26 |
| | **585.23** | **590.03** |

| 25 Other Expenses | 2021-22 | Rs in lacs<br>2020-21 |
|---|---|---|
| Stores and spares consumed | 146.95 | 412.42 |
| Power and fuel | 257.14 | 433.19 |
| Processing expenses | 37.63 | 43.71 |
| Repairs to building | 7.11 | 4.04 |
| Repairs to machinery | 1.82 | 1.23 |
| Repairs (others) | 0.54 | 3.02 |
| Insurance | 16.59 | 61.37 |
| Rates and Taxes | 23.15 | 13.08 |
| Export Freight | 47.57 | 76.94 |
| Transport and handling | 49.20 | 148.56 |
| Export expenses | 6.57 | 21.58 |
| Rent | 13.99 | 13.92 |
| Auditors Remuneration | 6.61 | 3.82 |
| Director's Fees | 3.93 | 4.13 |
| Net in forward exchanges contracts (M to M) | 3.53 | - |
| Currency Loss | 3.22 | 13.82 |
| Miscellaneous expenses | 207.21 | 239.03 |
| | 832.75 | 1,493.88 |

| 25A Earning Per share | 2021-22 | Rs in lacs<br>2020-21 |
|---|---|---|
| **Particulars** | | |
| Net Profit after Tax (Rupees in Lacs) | (334.82) | (1,743.54) |
| Less: Preference Dividend | (12.41) | (12.41) |
| Net Profit Attibutable to Equity Share Holders | (347.23) | (1,755.95) |
| Total Number of Equity Shares outstanding at the beginning of the year | 30753831 | 30753831 |
| Total Number of Equity Shares outstanding at the end of the year | 30753831 | 30753831 |
| Weighted average number of equity shares outstanding during the period | 30753831 | 30753831 |
| Basic and Diluted Earning per Share | (1.13) | (5.71) |

**26 Taxation** Rs in lacs

**The key components of income tax expense for the year ended 31 March,2022 and 31 March,2021 are:**

| | 2021-22 | 2020-21 |
|---|---|---|
| A. Consolidated Statement of Profit and Loss: | | |
| (i) Profit and Loss Section | | |
| a) Current tax | | |
| In respect of current year | - | - |
| MAT Credit available | | - |
| Adjustments for current tax of prior periods | 2.41 | - |
| b) Deferred tax | (386.30) | 18.30 |
| Tax expense/ (Income) reported in the Consolidated Statement of Profit and Loss | (383.89) | 18.30 |

| (ii) Other Comprehensive Income (OCI) Section | 2021-22 | Rs in lacs<br>2020-21 |
|---|---|---|
| Deferred tax related to items recognised in OCI during the year: | | |
| a) Re-measurement gains/loss on defined benefit plans | (156.88) | (273.94) |
| b) Net fair value gain/loss on investment in equity instruments through OCI | (0.63) | (1.10) |
| Deferred tax (expenses)/income reported in OCI | - | |
| | (157.51) | (275.04) |
| (iii) Total income tax expenses/ (income) | (541.40) | (256.74) |

| B. Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate: | 2021-22 | Rs in lacs<br>2020-21 |
|---|---|---|
| Accounting profit before tax | (718.71) | (1,725.24) |
| Statutory Income tax rate | | - |
| Tax Expense at statutory income tax rate | | - |
| Tax effect of amount which are not deductible(taxable) in calculating taxable income : | | - |
| Tax impact of expenses which will never be allowed (14 A and others) | | - |
| Tax impact of utilization of brought forward unabsorbedloss/depreciation | | - |
| Tax impact of exempted income | | - |
| Minimum Altermative Tax (MAT) Credit recognised | - | |
| Others | - | |
| Tax expense at effective rate reported in the Consolidated statement of profit and loss | - | - |

**AI CHAMPDANY INDUSTRIES LIMITED**

CIN No.L51909WB1917PLC002767

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2022

27 Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for:

**27.1 Contingent Liabilities (not provided for)**

Rs. in Lacs

| | Sl. No. | Particulars | Forum where the disputes are pending | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| (a) | | Claims/Disputes/Demands not acknowledged as debts:- | | | |
| | I. | Income Tax Matters | CIT(Appeal) | 7,186.55 | 1,242.13 |
| | | | ITAT | 8.37 | 8.37 |
| | ii. | Municipal Tax& Land Revenue | Review Board | 188.55 | 188.55 |
| | | Sales Tax | ACCT | 2.10 | 2.10 |
| | | | WBCTA & RB | 132.66 | 132.66 |
| | | | SJCCT | 18.37 | 18.37 |
| | iii | ESI Dues | ESI Court | 328.01 | 328.01 |
| | | | | | |
| (b) | Indication of uncertainty in timing | | | | Unascertainable |
| (c) | Indication of uncertainty in out flow | | | | Unascertainable |
| (d) | Possibility of any re-imbursement | | | | Unascertainable |

**27.2 Commitments**

| Sl. No. | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| i. | Estimated amount of contracts remaining to be executed on apital Account | | - |
| ii. | Bank Guarantees | | |
| a. | Bank Guarantees | 117.44 | 273.36 |
| b. | Bank Guarantees issued against Fixed Deposit | 432.54 | 432.54 |
| iii. | Bill Discounted | - | 239.03 |

**28 Arreas of dividend on Cumulative Preference Shares (including dividend distributions tax)**

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|
| Arrears Dividend (DDT) on cumulative preference shares | 176.59 (including DDT of Rs. 30.05 lakhs ) | 161.65 (including DDT of Rs.27.53 lakhs) |

**29 (a) Assets pledge as security**

The carrying amounts of assets pledged as security for current are:

| Particulars | Refer Note No. | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| <u>**Current**</u> | | | |
| **Financial assets** | | | |
| First charge | | | |
| Trade Receivables | 6 | 1,506.95 | 1,585.31 |
| Non-financial assets | | | |
| First charge | | | |
| Inventories | 5 | 15,088.16 | 15,182.15 |
| Total current assets pledged as security | | 16,595.11 | 16,767.46 |
| Non-current | | | |
| Second Charge | | | |
| Freehold land | | 2,179.19 | 2,179.19 |
| Plant & machinery | | 1,399.85 | 1,460.58 |
| Freehold buildings | | 1,037.54 | 1,117.31 |
| Total non-currents assets pledged as security | | 4,616.58 | 4,757.08 |
| Total assets pledged as security | | 21,211.69 | 21,524.54 |

(b) Fair value of Investment Property costing Rs 753.39 Lakhs in each 2 financial years under reference works out to Rs 36420.15 Lakhs in terms of last valuation report which is subject to revaluation in each 5 years.

(c) Identification of Micro & Small enterprises within the meaning of MSMED Act 2006 have been made on the basis of disclosure to the effect in invoices & challan by the vendor as mandated .No such vendors has been found to dealing in with the company so as to make disclosures thereon.

**30 Ind AS 17-Leases**

**30.1 Financial Lease (Lessee)**

**30.1.1 For each class of asset**

| Carrying amount | | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|
| Leasehold Land | | 23.91 | 24.48 |

**30.1.2 Reconcilition between the total future minimum lease payments and their present value.(financial lease)**

**For each class of asset**

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | MLP | PV | MLP | PV |
| Within 1 year | 0.14 | 0.03 | 0.14 | 0.03 |
| Between 1 to 5 years | 0.54 | 0.08 | 0.54 | 0.07 |
| After 5 years | 4.88 | 0.13 | 5.02 | 0.16 |
| Total minimum lease payments | 5.56 | 0.24 | 5.71 | 0.26 |
| Less: amounts representing finance charges | 5.32 | | 5.45 | |
| Present value of minimum lease payments | 0.24 | | 0.26 | |

**31. Defined Contribution Plan:**

The amount recognized as an expense for the Defined Contribution Plans are as under:

| Sl. No. | Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|---|
| a | Provident Fund | 10.09 | 35.03 |
| b | Pension Fund | 67.99 | 159.07 |
| c | E.S.I. | 30.97 | 70.27 |

**31.1 Defined Benefit Plan:**

The following are the types of defined benefit plans

**31.1.1 Gratuity Plan**

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

**31.1.2 Provident Fund**

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

**30.1.3 Risk Exposure**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

| | |
|---|---|
| **ASSET VOLATILITY** | The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years. |
| **CHANGES IN BOND YIELDS** | A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. |
| **INFLATION RISKS** | In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk. |
| **LIFE EXPECTANCY** | The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy. |

**31.1.4 Reconciliation of the net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

| Particulars | Gratuity | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Balance of obligation at the beginning of the year | 1,548.99 | 2,369.98 |
| Current Service Cost | 40.83 | 71.81 |
| Interest Cost on Defined Benefit Obligation | 101.65 | 152.86 |
| Actuarial Gain and Losses arising from | | |
| Changes in demographic assumptions | | - |
| Changes in financial assumptions | 8.40 | 156.08 |
| Experience Adjustment | (610.85) | (1,201.75) |
| Benefits Paid from the Plan Assets | (17.78) | - |
| Balance of obligation at the end of the year | 1,071.23 | 1,548.99 |

**31.1.5 Reconciliation of the Plan Assets**

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

| Particulars | Gratuity | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Balance at the beginning of the year | 649.91 | 603.06 |
| Interest Income on Plan Assets | 42.31 | 38.90 |
| Remeasurement of Defined Benefit Obligation: | | |
| Return on plan assets greater/ (lesser) than discount rate | 0.92 | 7.94 |
| Employer Contributions to the Plan | | |
| Benefits Paid from the Plan Assets | (17.78) | - |
| Balance at the end of the year | 675.35 | 649.91 |

**31.1.6 Expenses recognized in profit or loss**

| Particulars | Gratuity | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Current Service Cost | 40.83 | 71.81 |
| Interest Cost (Net) | 59.34 | 113.97 |

**31.1.7 Remeasuremets recognzied in other comprehensive income**

| Particulars | Gratuity | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Actuarial (gain)/ Loss on defined benefit obligation | (603.37) | (1,053.61) |

**31.1.8 Asset-Liability Matching Strategy**

"The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this frameowrk, the company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets."

**31.1.9 Actuarial Assumptions**

| Particulars | Gratuity | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Financial Assumptions | | |
| Discount Rate | 6.45 | 6.60 |
| Salary Escalation Rate | 5.00 | 5.00 |
| Demographic Assumptions | | |
| Mortality Rate | IALM(2012-14) | IALM(2012-14) |
| Withdrawal Rate | 4.20 | 4.20 |

**31.1.10** The estimates of future salary increases/decreases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**31.1.11** Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to Rs. 3012.98 lakhs (previous year Rs. 4170.08 lakhs)

**31.1.12 Sensitivity Analysis**

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| **Particulars** | **Gratuity** | |
|---|---|---|
| | **2021-22** | **2020-21** |
| Effect on DBO due to 1% increase in Discount Rate | 1,017.64 | 1,434.05 |
| Effect on DBO due to 1% decrease in Discount Rate | 1,130.86 | 1,680.00 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 1,131.13 | 1,679.34 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | 1,016.45 | 1,431.45 |
| Effect on DBO due to 50% increase in Withdrawal Rate | 1,071.71 | 1,550.46 |
| Effect on DBO due to 50% decrease in Withdrawal Rate | 1,070.74 | 1,547.50 |
| Effect on DBO due to 10% increase in Mortality Rate | 1,071.42 | 1,549.51 |
| Effect on DBO due to 10% decrease in Mortality Rate | 1,071.04 | 1,548.46 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

32 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as as follows:

Company has not incurred any obligation on account of Corporate Social Responsibility till end of current financial year within the meaning of Sec 135 of Companies Act,2013

**33 Related Party Disclosures**

33.1 Related parties with whom transactions have taken place during the year and previous year are:

**(A) Key Management Personnels**

Mr. Nirmal Pujara
Mr. Lalanjee Jha
Mr. Gopal Sharma

**(B) Directors**

Mr.D J Wadhwa,Chairman
Dr.G Goswami
Mr. Mrityunjay Banerjee
Ms.Mina Agarwal

**© Others (Entities under significant influence)**

Landale & Clerk Ltd
G Jerambhai Exports Ltd
Gunny Dealers ltd
Libra Exporters Ltd
Libra Transport Ltd
Macgregor & Balfour India Ltd.
Jessor Industries (India) Ltd.
Naffar Chandra Jute Mills Ltd.
Baidyabati Industries Ltd.
Jerambhai Seva Trust
V.B.Seva Trust
Circus Avenue Properties Pvt. Ltd.
Gojer Brothers Pvt. Ltd.
West Range Properties Pvt.Ltd.
Coopers Commodities Ltd.
Coopers Wealth Advisers Ltd.

### 33.2 Transactions during the year

| Particulars | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|
| | Directors | Key Management Personnel | Others | Closing | Directors | Key Management Personnel | Others | Closing |
| 1. Revenue from operations | Nil | Nil | 238.03 | 109.90 | Nil | Nil | 174.82 | 214.34 |
| 2. Other Income | Nil | Nil | 6.43 | 13.94 | Nil | Nil | 31.22 | 70.10 |
| 3. Purchase/Material Consumed | Nil | Nil | 341.01 | 57.46 | Nil | Nil | 205.75 | 54.45 |
| 4. Transport and handling | Nil | Nil | 0.75 | 12.19 | Nil | Nil | 1.80 | 73.30 |
| 5. Payment to KMP | Nil | 29.06 | Nil | Nil | Nil | 41.12 | Nil | Nil |
| 6. Rent Paid | Nil | Nil | 2.79 | 4.46 | Nil | Nil | 3.83 | 3.96 |
| 7. Professional Fees | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 8.Meeting fees | 5.90 | Nil | Nil | Nil | 5.70 | Nil | Nil | Nil |
| 9.Loan taken | Nil | Nil | 272.28 | 456.94 | Nil | Nil | 205.36 | 276.86 |
| 10.Advances given | Nil | Nil | 29.08 | 22.60 | Nil | Nil | 57.50 | 56.35 |
| 11.Loan Repaid | Nil | Nil | 245.00 | 472.08 | Nil | Nil | 2.84 | 467.28 |

### 33.3 Key Management Personnel compensation

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---|---|
| Short-term employee benefits | 29.06 | 41.12 |
| Post-employment benefits | - | - |
| Total compensation | 29.06 | 41.12 |

### 34 Categories of Financial Assets & Financial Liabilities

As at 31st March 2022 and 31st March 2021

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| **Financial Assets** | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | | 89.55 | | | 78.54 | |
| - Mutual Funds | - | | - | - | - | - |
| Fixed Deposits with Banks(Maturing after 12 months) | | | 500.00 | | | 500.00 |
| Trade Receivables | - | | 1,506.95 | - | - | 1,585.31 |
| Cash and Cash Equivalents | - | | 27.96 | - | - | 32.08 |
| Bank Balance other than above | - | | 464.21 | - | - | 16.63 |
| Loans | | | 211.87 | | | 211.87 |
| Others | | | 4,231.85 | | | 4,216.71 |
| **Total Financial Assets** | **-** | **89.55** | **6,942.84** | **-** | **78.54** | **6,562.60** |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 6,401.63 | - | - | 7,585.05 |
| Trade Payables | - | - | 3,656.61 | - | - | 3,963.07 |
| Other Financial Libilities | - | - | 11,600.53 | - | - | 10,975.94 |
| Derivatives not designated as hedge | - | - | | - | - | |
| **Total Financial Liabilities** | **-** | **-** | **21,658.77** | **-** | **-** | **22,524.06** |

**35 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost**

**35.1** The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

| Particulars | 31st March 2022 Carrying Amount | 31st March 2022 Fair Value | 31st March 2021 Carrying Amount | 31st March 2021 Fair Value |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments | 89.55 | 89.55 | 78.54 | 78.54 |
| Trade Receivables | 1,506.95 | 1,506.95 | 1,585.31 | 1,585.31 |
| Cash and Cash Equivalents | 27.96 | 27.96 | 32.08 | 32.08 |
| Bank Balance other than above | 464.21 | 464.21 | 16.63 | 16.63 |
| Fixed Deposits with Banks (Maturing after 12 months) | 500.00 | 500.00 | 500.00 | 500.00 |
| Loans | 211.87 | 211.87 | 211.87 | 211.87 |
| Others | 4,231.85 | 4,231.85 | 4,216.71 | 4,216.71 |
| **Total Financial Assets** | **7,032.39** | **7,032.39** | **6,641.14** | **6,641.14** |
| **Financial Liabilities** | | | | |
| Borrowings | 6,401.63 | 6,401.63 | 7,585.05 | 7,585.05 |
| Trade Payables | 3,656.61 | 3,656.61 | 3,963.07 | 3,963.07 |
| Other Financial Libilities | 11,600.53 | 11,600.53 | 10,975.94 | 10,975.94 |
| **Total Financial Liabilities** | **21,658.77** | **21,658.77** | **22,524.06** | **22,524.06** |

**35.2** The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

**35.3** For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

**35.4** The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**35.5 The following methods and assumptions were used to estimate the fair values:**

**35.5.1** The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

**35.5.2** The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

**36 Fair Value Hierarchy**

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

36.1 **Assets and Liabilities measured at Fair Value - recurring fair value measurements**
**As at 31st March 2022 and 31st March 2021**

| Particulars | 31st March 2022 Level 1 | 31st March 2022 Level 2 | 31st March 2022 Level 3 | 31st March 2021 Level 1 | 31st March 2021 Level 2 | 31st March 2021 Level 3 |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | 35.07 | | 54.48 | 19.19 | | 59.35 |
| Trade Receivables | | | 1,506.95 | | | 1,585.31 |
| Cash and Cash Equivalents | | | 27.96 | | | 32.08 |
| Bank Balance other than above | | | 464.21 | | | 16.63 |
| Fixed Deposits with Banks(Maturing after 12 months) | | | 500.00 | | | 500.00 |
| Derivative Instrument | | | | | | |
| Loans | | | 211.87 | | | 211.87 |
| Others | | | 4,231.85 | | | 4,216.71 |
| Total Financial Assets | 35.07 | - | 6,997.32 | 19.19 | - | 6,621.95 |
| Non Financial Asset | | | | | | |
| Total Non Financial Assets | | | | | | |
| Financial Liabilities | | | | | | |
| Borrowings | | | 6,401.63 | | | 7,585.05 |
| Trade Payables | | | 3,656.61 | | | 3,963.07 |
| Other Financial Libilities | | | 11,600.53 | | | 10,975.94 |
| Derivative Instrument | | | | | - | |
| Total Financial Liabilities | - | - | 21,658.77 | - | - | 22,524.06 |
| Non Financial liabilty | | | | - | - | - |
| Total Non Financial Liabilities | - | - | - | - | - | - |

**36.2** During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**36.3 Explanation to the fair value hierarchy**

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**36.3.1 Level 1** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**36.3.2 Level 2** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

**37 Financial Risk Management**

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

**37.1 Credit Risk**

"The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels. Existing practice is to create allowances for doubtful debts on the basis of outstanding non-government dues for above three years subject to due recognition of ongoing negotiation for realisation of dues in this regard without creation of provision in respect of parties reflexing on silverline towards recoverability of old dues. Govenment dues are generally considered recoverable."

**a. Trade receivables**

**As on 31st March, 2022**

| **Ageing schedule** | **0-365 days past due** | **366-730 days past due** | **Above 730 days past due** |
|---|---|---|---|
| Gross carrying amount | 1,109.51 | 93.98 | 322.34 |
| Expected loss rate | | | |
| Expected credit losses (Loss allowance provision) | | | 18.88 |
| Carrying amount of trade receivables (net of impairment) | 1,109.51 | 93.98 | 303.46 |

**As on 31st March, 2021**

| **Ageing schedule** | **0-365 days past due** | **366-730 days past due** | **Above 730 days past due** |
|---|---|---|---|
| Gross carrying amount | 1,434.73 | 82.65 | 67.93 |
| Expected loss rate | | | |
| Expected credit losses (Loss allowance provision) | - | - | 18.88 |
| Carrying amount of trade receivables (net of impairment) | 1,434.73 | 82.65 | 49.05 |

| **Reconciliation of loss allowance provision –** | **Amount** |
|---|---|
| Loss allowance on 31 March 2021 | 18.88 |
| Changes in loss allowance | - |
| Loss allowance on 31 March 2022 | 18.88 |

**37.2 Liquidity Risk**

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

**37.2.1 Maturity Analysis for financial liabilities**

The following are the remaining contractual maturities of financial liabilities as at 31st March 2022

| a | Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| | **Non-derivative** | | | | | | |
| | Trade payables | - | 2,259.63 | 1,396.98 | - | - | 3,656.61 |
| | Borrowings | 319.01 | - | - | 311.53 | 1,945.72 | 2,576.26 |
| | Working Capital loans repayable on demand | 3,825.37 | - | - | - | - | 3,825.37 |
| | Other financial liabilities | - | - | 82.30 | 11,518.23 | - | 11,600.53 |
| | Total | 4,144.38 | 2,259.63 | 1,479.28 | 11,829.76 | 1,945.72 | 21,658.77 |
| | Derivative | | | | | | |
| | Derivatives not designated as hedge | | | | | | |

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2021

| Particulars | On Demand | Less than 6 months | 6 months to 1 year | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | | 2,507.59 | 1,455.48 | | | 3,963.07 |
| Borrowings | 319.00 | | | 608.72 | 1,945.72 | 2,873.44 |
| Working Capital loans repayable on demand | 4,711.60 | | | | | 4,711.60 |
| Other financial liabilities | | | 227.89 | 10,748.05 | | 10,975.94 |
| Total | 5,030.60 | 2,507.59 | 1,683.37 | 11,356.77 | 1,945.72 | 22,524.05 |
| Derivative | | | | | | |
| Derivatives not designated as hedge | | | | | | |

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

**37.3 Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

**37.3.1 Foreign Exchange Risk**

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The Company imports various raw materials viz. chemicals, drugs, API, packing materials viz. granules, items of stores and spares and capital goods as per its requirements from time to time and also borrows funds in foreign currencies. This results in foreign currency risk to the Company. Similarly, company's exports are also exposed to foreign currency risks.

For the Foreign Exchange exposures risk management, the Company's Policy is to adopt a flexible approach in hedging its risk. For this, the Company from time to time takes the view from banks and foreign exchange experts and based upon the same and also considering macro-economic factors, forms a view and whenever deemed necessary, hedges its foreign exchange risk. The hedging strategies are taken after careful study/ analysis of foreign exchange market to minimize to the extent possible, any effect of the fluctuation in foreign exchange rates.

a **Exposure to currency risk**

The Company's exposure to foreign currency risk unhedged exposures at the end of the reporting period expressed in INR, are as follows:

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | USD | JPY | GBY | USD | JPY | GBY |
| Financial Assets | | | | | | |
| Trade Receivables | - | 52.37 | - | 26.48 | 24.57 | - |
| Advances to Suppliers | - | - | - | - | - | - |
| Bank Balance | - | - | - | - | - | - |
| **Net Exposure to foreign currency risk (assets)** | **-** | **52.37** | **-** | **26.48** | **24.57** | **-** |
| Financial Liabilities | | | | | | |
| Trade Payables | - | - | - | - | - | - |
| Advance from Debtors | 45.22 | 1.10 | 160.43 | 36.60 | 1.29 | 174.81 |
| Derivative Liabilities | | | | | | |
| Derivatives not designated as hedge | | | | | | |
| Export Bill Discounted | - | - | - | - | 166.47 | 72.56 |
| Net Exposure to foreign currency risk (liabilities) | **45.22** | **1.10** | **160.43** | **36.60** | **167.76** | **247.37** |

**Off Balance Sheet exposure(Derivative Contract)-hedged**

| | Particulars | 31st March 2022 | | | | 31st March 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | USD | EURO | GBP | TOTAL | USD | EURO | JPY | TOTAL |
| a | Forward contract to purchase foreign currency | - | - | - | - | 0.62 | 0.48 | - | 1.10 |
| b. | Forward contract to sell foreign currency | - | - | - | - | 99.51 | - | 0.99 | 100.50 |

b **Sensitivity Analysis**

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit After Tax | Other Equity | | Profit After Tax | Other Equity |
| USD Sensitivity (Increase) | 5% | (2.26) | - | 5% | (0.51) | - |
| USD Sensitivity (Decrease) | 5% | 2.26 | - | 5% | 0.51 | - |
| JPY Sensitivity (Increase) | 5% | 2.56 | - | 5% | (7.16) | - |
| JPY Sensitivity (Decrease) | 5% | (2.56) | - | 5% | 7.16 | - |
| GBP Sensitivity (Decrease) | 5% | (8.02) | - | 5% | (12.37) | - |
| GBP Sensitivity (Decrease) | 5% | 8.02 | - | 5% | 12.37 | - |

**36.3.2 Interest Rate Risk**

"The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and lnvestments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds."

a Exposure to interest rate risk

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---|---|
| **Fixed Rate Instruments** | | |
| Financial Assets | 1,048.01 | 584.86 |
| Financial Liabilities | 311.53 | 608.72 |
| | | |
| Variable Rate Instruments | | |
| Financial Assets | | |
| Financial Liabilities | | |

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | 31st March 2022 | | | 31st March 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit After Tax | Other Equity | | Profit After Tax | Other Equity |
| Interest amount Increase by | 2% | (10.12) | | 2% | (10.50) | |
| Interest amount Decrease by | 2% | 10.12 | | 2% | 10.50 | |

**37.3.3 Other Price Risk**

The Company is exposed to equity price risk, in a meagre way with least possiblity of any adverse impact on account of equity or debt instruments in profitability.

**37.3.4 Capital Management**

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt ( total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

**38 Impairment**

The Company has not found any indication of impairment of the assets as per Ind AS 36 and accordingly no further exercise for calculating impairment loss has been undertaken.

39 Particulars of disclosure under section 186(4) of Companies Act,2013.The company has not made any investment or given any loan or furnished any guarantee attracting provision of section 186(4) of Companies Act,2013.

**39 INFORMATION PURSUANT TO IND AS 115**

| | **Breakup of Sales:** | **2021-22** | **2020-21** |
|---|---|---|---|
| **a.** | **JUTE PRODUCTS** | | |
| i. | Jute Products | 2,789.10 | 6,062.39 |
| ii. | Flax | 1,064.49 | 517.89 |
| iii. | Scrap Sales | 238.66 | 23.06 |
| iv. | Others | | - |
| TOTAL | | **4,092.25** | **6,603.34** |
| **GROSS SALES OF JUTE & FLAX** | | 4,092.25 | 6,603.34 |
| EXPORT INCENTIVE | | 20.14 | 42.73 |
| OTHERS | | 303.81 | |
| less: commission paid | | (10.77) | (10.18) |
| NET SALES | | **4,405.43** | **6,635.89** |

**Primary Geographical Markets:**

| | | 2021-22 | 2020-21 |
|---|---|---|---|
| I. | DOMESTIC | 3,352.12 | 5,203.60 |
| II. | EXPORT SALES | 740.13 | 1,399.74 |

| | 2021-22 | 2020-21 |
|---|---|---|
| OTHER SALES | | |
| INSURANCE CLAIMS | 303.81 | - |
| EXPORT INCENTIVE | 20.14 | 42.73 |
| less: commission paid | (10.77) | (10.18) |
| | **4,405.43** | **6,635.89** |

| | 2021-22 | 2020-21 |
|---|---|---|
| DOMESTIC SALES | 3,352.12 | 5,203.60 |
| EXPORT SALES | 740.13 | 1,399.74 |
| EXPORT INCENTIVE | 20.14 | 42.73 |
| OTHERS | 303.81 | - |
| **TOTAL SALES** | **4,416.20** | **6,646.07** |
| **LESS COMMISSION** | **(10.77)** | **(10.18)** |
| **NET SALES** | **4,405.43** | **6,635.89** |

**Major Distribution Channels Relate to Overseas, Govt.& Institutional Buyers.**

41 Consolidated herein is the accounts of Champdany Constructions Limited, a subsidiary where 82% stake is owned by the parent company. The said subsidiary was wholly owned upto 14.02.2019 on which date 18% stake therin was acquired by two other entities in terms of fair value of the stake.

42 The outbreak of Covid-19 and consequent imposition of national lockdown by the Government of India to deter its impact seriously affected the economy activities and operational performance of the Company. The management has considered the possible effect that may arise from the pandemic on the recoverability /carrying value of the assets. Based on the current indicators of future economic conditions, the Company Management expects to recover the carrying amount of the assets. However , the trend suggests future economic condition may be subject to material changes on days ahead. Given the uncertainity the final impact on Cmpany's assets in future may differ from that estimated at the date of closing Financial statyements of the Company.