

August 5, 2022

**BSE Limited
Department of Corporate Services (DCS-Listing)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001**

Company Code: 509472

Dear Sirs,

Sub : Notice of 70th Annual General Meeting (AGM) and Annual Report 2021-22

Ref : Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached copy of the Notice of 70th Annual General Meeting (AGM) scheduled to be held on Tuesday, August 30, 2022 at 3.30 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) of National Securities Depositories Limited (NSDL) along with Annual Report for the Financial Year 2021-22 sent by email to the Members of the Company whose email addresses are registered with Depository Participant / Registrar & Transfer Agents of the Company.

The Notice of AGM and Annual Report for the Financial Year ended 2021-22 is also available on the Company's website <http://cravatex.com/>.

Kindly take the same on record.

Thanking You,
For **Cravatex Limited**

Sudhanshu Namdeo
Company Secretary
Membership No.A17132

Encl : a.a



CRAVATEX

LIMITED

70TH Annual Report
2021 - 22

BOARD OF DIRECTORS AND GENERAL INFORMATION

Board of Directors

Rajesh Batra	– Chairman & Managing Director
S. D. Israni	– Independent Director
N. Santhanam	– Independent Director
Pheroza Jimmy Bilimoria	– Independent Director
Divakar G. Kamath	– Executive Director and CFO
Rohan Batra	– Non Executive Director

Auditors

GPS & Associates
105-106, Shyamkamal, 'D' Building
Agarwal Market
Vile Parle (East), Mumbai-400 057.

Registrars & Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, LBS Marg
Vikhroli (West), Mumbai-400 083.

Bankers

HDFC Bank Limited

Chief Financial Officer

Divakar G. Kamath

Company Secretary

Sudhanshu Namdeo

Registered Office

Ground Floor (East Wing), Forbes Building
Charanjit Rai Marg, Fort, Mumbai-400 001.

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FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2021-22	2020-21	2019-20	2018-19	2017-18
	IND AS				
Equity Share Capital	258	258	258	258	258
Reserves and Surplus	3959	3598	3049	2926	2727
Net Worth	4217	3856	3307	3184	2986
Fixed Assets*	1465	1464	1621	1646	2260
Depreciation*	692	623	789	714	1234
Net Block*	773	841	832	932	1026
Turnover	244	231	242	104	74
Earning before Taxes	510	619	255	295	32
Final Dividend	78 (30%)	78 (30%)	26 (10%)	52 (20%)	26 (10%)
Interim Dividend	—	—	52 (20%)	—	—
Earning Per Share	16.98	22.31	8.98	8.76	1.63

* Includes Tangible Assets, Intangible Assets & Investment Property

NOTICE OF ANNUAL GENERAL MEETING**NOTICE**

NOTICE is hereby given that the 70th (Seventieth) Annual General Meeting of the Members of **CRAVATEX LIMITED** will be held on Tuesday, August 30, 2022 at 3.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the business as mentioned below. The venue of the meeting shall be deemed to be at the Registered Office of the Company at Ground Floor (East Wing), Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400 001.

ORDINARY BUSINESS

1. To consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2022 including Audited Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date together with Reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 including Audited Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date together with Reports of the Auditors thereon
2. To declare a final dividend on 4% Non-convertible Cumulative Redeemable Preference Shares for the financial year 2021-22.
3. To declare a final dividend on the Equity Shares for the financial year 2021-22.
4. To appoint a Director in place of Mr. Rajesh Batra (DIN 00020764) who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation of the Audit committee and the Board of Directors of the Company, M/s. GPS & Associates, Chartered Accountants, Mumbai (Firm Regd. No. 121344W) be and are hereby appointed as Statutory Auditors of the Company to hold office for second term from the conclusion of 70th Annual General Meeting till the conclusion of the 75th Annual General Meeting of the Company to be held in the year 2027 at such remuneration as shall be mutually agreed between the Board of Directors and the Statutory Auditors.”

“RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

SPECIAL BUSINESS

6. **Re-appointment of Mr. Rajesh Batra (DIN: 00020764) as a Managing Director**

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh Batra (DIN : 00020764) as the Managing Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from June 1, 2022 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be agreed between the Board and Mr. Rajesh Batra, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

NOTICE OF ANNUAL GENERAL MEETING

“RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors
For **Cravatex Limited**

Sudhanshu Namdeo
Company Secretary
Membership No. A17132

Place : Mumbai

Dated : July 28, 2022

CIN : L93010MH1951PLC008546

Registered Office:

Ground Floor (East Wing)

Forbes Building, Charanjit Rai Marg

Fort, Mumbai - 400 001

Tel No.: +91 22 66667474

Email: investors@cravatex.com

Website: <http://cravatex.com/>

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, January 13, 2021 and May 5, 2022 ("MCA Circulars") and SEBI vide its circulars dated May 12, 2020 and January 15, 2021 ("SEBI Circulars") permitted the holding of the 70th Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility.
2. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May 05, 2020 read with 02/2022 dated May 05, 2022 of MCA and other MCA Circulars, the matters of Special Business as appearing at item nos. 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forms part of this Notice.
The relevant statement pursuant to Section 102 of the Act, setting out the material facts relating to the Special Business as set out in the Notice, is annexed hereto and forms part of the notice of this AGM.
4. A statement giving the details of the Director seeking re-appointment under Item No.4 and 6 of the accompanying Notice, as required under Regulation 26(4), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in annexure attached herewith.
5. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialise the shares held by them in physical form.
Members may also note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4 , the format of which is available on the website of the Company's and the Registrar and Transfer Agents. It may be noted that any service request can be processed only after the folio is KYC Compliant.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 24, 2022 to Tuesday, August 30, 2022 (both days inclusive) for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for payment of final dividend on equity shares for the financial year 2021-22, if declared at the AGM.
7. The Register of Directors and Key Managerial Personnel and their Shareholding, under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, under Section 189 of the Act, will be available electronically for inspection by the Members without any fee from the date of despatch of the Notice up to the date of AGM, i.e. August 30, 2022 on the website of the Company at <http://cravatex.com/>.
8. The dividend on Equity Shares, if declared at the Annual General Meeting, will be paid on or after August 30, 2022 to Members whose names appear on the record of Depositories [National Securities Depository Limited and Central Depository Services (India) Limited] on August 23, 2022 (for shares held in demat mode) and in the Register of Members of the Company (for shares held in physical mode) updated as on August 23, 2022. The dividend will be paid to the Members within the stipulated time.
9. Members are requested to immediately notify any change in their name, registered address, email id, telephone/mobile numbers, permanent account number (PAN), nominations, power of attorney, bank mandate viz. name and address of the branch of the bank, MICR code of the branch, account number with blank cancelled cheque to their Depository Participant (DP) quoting their Client IDs in case of shares held in demat form and to the Registrars and Share Transfer Agents of the Company quoting their Folio Number in case of shares held in physical form. Members whose shares are in physical form are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 7 days before the Annual General Meeting through email on investors@cravatex.com. The same will be replied by the Company suitably.

NOTICE OF ANNUAL GENERAL MEETING

11. Unclaimed dividends for the financial year ended March 31, 2015 shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government in terms of the provisions of Section 124 of the Companies Act 2013. Those members who have so far not encashed the dividend(s) from the financial year ended March 31, 2015 till the financial year ended March 31, 2021 are requested to approach the Registrars and Share Transfer Agents of the Company for payment. The Company has not declared any dividend for the financial year ended March 31, 2016 and March 31, 2017.

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the information in respect of the unclaimed dividends as on the date of the 69th Annual General Meeting (AGM) held on August 27, 2021, on the website of the IEPF viz. www.iepf.gov.in and also under the "Investors Section" on the website of the Company viz. <http://cravatex.com/>.

12. In terms of Section 72 of the Act read with the applicable Rules made therein, every holder of shares in the Company may at any time nominate, cancel or modify in the prescribed manner (Form No. SH-13/SH-14), a person to whom his/her shares in the Company shall vest, in the event of his/her death. The duly filled in Nomination Form shall be sent to R & TA at the above mentioned address by the Members holding shares in physical mode. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
13. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Depository Participant (DP)/Registrar & Share Transfer Agents. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website <http://cravatex.com/>, website of the Stock Exchange i.e. BSE Limited at <http://bseindia.com/> and on the website of NSDL <https://evoting.nsdl.com/>. Members who have not registered their email address so far are requested to register their e-mail address with the Depository Participant (DP)/Registrar & Share Transfer Agents of the Company for receiving all communications from the Company electronically. In case you have not registered your email id with the Company / Depository Participant please access the link https://linkintime.co.in/EmailReg/Email_Register.html to temporarily register your email id for obtaining Annual Report 2021-22 and e-voting login details therein.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Registrar and Share Transfer Agents (in case of shares held in physical mode) and with Depository Participant (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by August 23, 2022 by accessing the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by August 23, 2022 by accessing the link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.

16. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction of first come first served basis.
17. Since the AGM will be held through VC / OAVM, the Route Map is not being annexed to this Notice.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Secretarial Standard – 2, MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
19. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

NOTICE OF ANNUAL GENERAL MEETING

20. The remote e-voting period commences on Saturday, August 27, 2022 (9:00 a.m. IST) and ends on Monday, August 29, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, August 23, 2022 i.e. cut-off date, may cast their vote electronically.

The e-voting module shall be disabled by NSDL for voting after the above stated ending time on that date. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

21. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e Tuesday, August 23, 2022.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Tuesday, August 23, 2022 only shall be entitled to avail the facility of remote e-voting as well as attending and e-voting at the AGM.
23. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Tuesday, August 23, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in.

However, if the person is already registered with NSDL for remote e-voting then the person can use the existing User ID and password for casting the vote.

24. The Instructions for Members for Remote E-Voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- (A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode
- (B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:





- (A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or https://cdslindia.com/ and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in https://www.cdslindia.com/ home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

NOTICE OF ANNUAL GENERAL MEETING

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company, For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

NOTICE OF ANNUAL GENERAL MEETING

5. Password details for shareholders other than Individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on <https://evoting.nSDL.com>.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on <https://evoting.nSDL.com/>.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nSDL.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After, you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on Step 2 is given below:

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

NOTICE OF ANNUAL GENERAL MEETING

25. General Guidelines for Members
1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) and Corporate Members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to hemanshu@hkacs.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://evoting.nsdl.com/> to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of <https://evoting.nsdl.com/> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL, at evoting@nsdl.co.in.
26. Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in.
 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
 3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
 4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
27. The Instructions for Members for E-Voting on the day of the AGM are as under:
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
 2. Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
28. The Instructions for Members for attending the AGM through VC/OAVM are as under:
1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. Members are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Member login where the EVEN of Company will be displayed. Please note that the members who do not have the

NOTICE OF ANNUAL GENERAL MEETING

User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. Members who would like to express their views/have questions may send their questions at least 7 days in advance mentioning their name demat account number/folio number, email id, mobile number by email at investors@cravatex.com.
 6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
29. Mr. Hemanshu Kapadia (FCS: 3477 and CP: 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, Mumbai has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
30. The Chairman shall, at the AGM, allow voting with the assistance of scrutinizer, through e-voting facility as provided by NSDL for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
31. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <http://cravatex.com/> and on the website of NSDL <https://evoting.nsdl.com/> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board of Directors
For **Cravatex Limited**

Sudhanshu Namdeo
Company Secretary
Membership No. A17132

Place : Mumbai
Dated : July 28, 2022

CIN : L93010MH1951PLC008546

Registered Office:

Ground Floor (East Wing)
Forbes Building, Charanjit Rai Marg
Fort, Mumbai - 400 001
Tel No.: +91 22 66667474
Email: investors@cravatex.com
Website: <http://cravatex.com>

NOTICE OF ANNUAL GENERAL MEETING
ANNEXURE TO NOTICE

Details of Directors seeking re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Rajesh Batra
DIN	00020764
Age	67 years
Qualifications	Schooling in Campion School, Mumbai and graduated from Elphinstone College, in 1975. He then obtained a Diploma in Systems Management from Jamnalal Bajaj Institute in 1978.
Nationality	Indian
Experience/Expertise	<p>Mr. Rajesh Batra is a second generation entrepreneur and son of Late Mr. Ram Batra, a leading businessman and a former sheriff of Mumbai. Mr. Rajesh Batra is presently the Chairman of Cravatex Limited and its subsidiary Cravatex Brands Limited. The subsidiary deals in Gym equipments, Branded goods of apparel, footwear and accessories.</p> <p>Mr. Batra serves as an Independent Director on the board of three Listed Companies. He is also a trustee on several charitable trusts and promotes sport through the Ram Batra Memorial Foundation.</p>
Terms and Conditions of Appointment / Reappointment	To be re-appointed as the Managing Director for a period of 3 years from June 1, 2022 to May 31, 2025.
Remuneration last drawn for the financial year 2021-22	Rs.34.58 lakhs per annum
Remuneration proposed to be paid	Upto Rs.54.00 lakhs per annum
Date of first appointment on the Board	30/11/1981
Shareholding in the Company as on March 31, 2022	70 Equity Shares (including 20 shares each held on behalf of partnership firm and trust) of Rs.10/- each and 11,40,000 (entire shares are held on behalf of trust) 4% Non-Convertible Cumulative Redeemable Preference Shares of Rs.10/- each.
Relationship with other Directors/ Key Managerial Personnel	Father of Mr. Rohan Batra, Director of the Company.
No. of Board Meetings attended during the Financial Year 2021-22	5 out of 5
Directorships of other Boards as on March 31, 2022	<ol style="list-style-type: none"> 1. Cravatex Brands Limited 2. B.R.T. Limited 3. National Peroxide Limited 4. The Bombay Burmah Trading Corporation Limited 5. NPL Chemicals Limited 6. The Bombay Dyeing and Manufacturing Co. Limited 7. Proline Exports Pvt. Ltd. 8. R. B. Fitness and Trading Pvt. Ltd. 9. Goodeed Charitable Foundation 10. Tristar Charitable Foundation 11. Northstar Charitable Foundation 12. Venus Charitable Foundation

NOTICE OF ANNUAL GENERAL MEETING

Name of the Director	Mr. Rajesh Batra
Membership / Chairmanship of Committees of other Boards as on March 31, 2022	<ol style="list-style-type: none">1. National Peroxide Limited (Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate and Social Responsibility Committee)2. The Bombay Burmah Trading Corporation Limited (Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate and Social Responsibility Committee)

By Order of the Board of Directors
For **Cravatex Limited**

Sudhanshu Namdeo
Company Secretary
Membership No. A17132

Place : Mumbai
Dated : July 28, 2022

CIN : L93010MH1951PLC008546

Registered Office:

Ground Floor (East Wing)
Forbes Building, Charanjit Rai Marg
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Tel No.: +91 22 66667474
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NOTICE OF ANNUAL GENERAL MEETING**EXPLANATORY STATEMENT PURSUANT TO REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015****Item No. 5 – Re-appointment of M/s. GPS and Associates (Firm Regd. No. 121344W) as Statutory Auditors**

The Members of the Company at its 65th Annual General Meeting (“AGM”) held on September 8, 2017, had approved the appointment of M/s. GPS and Associates, Chartered Accountants, Mumbai, Firm Regd. No. 121344W (“GPS”), as Statutory Auditors of the Company, to hold office from the conclusion of 65th Annual General Meeting till the conclusion of the 70th Annual General Meeting of the Company.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on July 28, 2022, proposed the re-appointment of GPS as the Statutory Auditors of the Company, for a second term to hold office from the conclusion of the 70th Annual General Meeting to be held in 2022 until the conclusion of the 75th Annual General Meeting to be held in 2027, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

GPS have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

GPS is an accounting firm with a standing of more than 42 years, providing services mainly in the areas of Direct & Indirect Taxation, Statutory Audits, Special Audits, Operational & Management Audits, System Designing, Corporate Laws and Management Consultancy with each partner (presently six) focusing on his or her strengths and drawing upon the strengths of other partners as and when required, for the overall benefit of their clients. The combined experience of its partners along with the associates provides its clients a broad spectrum of services with an assurance of expertise coupled with reliability.

The Board recommends passing of the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 6 – Re-appointment of Mr. Rajesh Batra (DIN: 00020764) as a Managing Director**

The Members of the Company at its 59th Annual General Meeting held on July 8, 2011 appointed Mr. Rajesh Batra as the Managing Director, for a period of five years from June 1, 2011 at a remuneration of Rs.54 lacs per annum.

Further, the Members of the Company at its 64th Annual General Meeting held on August 12, 2016 re-appointed Mr. Rajesh Batra as the Managing Director, for a period of three years from June 1, 2016 at a remuneration upto Rs.42 lacs per annum and thereafter through Postal Ballot passed on March 22, 2019 re-appointed Mr. Rajesh Batra as the Managing Director, for a period of three years from June 1, 2019 at a remuneration upto Rs.36 lacs per annum.

It is proposed to seek the members' approval for the re-appointment of Mr. Rajesh Batra as the Managing Director for a further period of 3 (three) years with effect from June 1, 2022 and the remuneration payable to him in terms of the applicable provisions of the Act.

Mr. Rajesh Batra is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Act and has given his consent to act as a Managing Director.

Details of Mr. Rajesh Batra are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of a Managing Director, a Company has no profits or its profits are inadequate, a Company having effective capital more than Rs. 5 Crores and less than Rs.100 Crores may, without Central Government approval, pay remuneration to the Managing Director not exceeding

NOTICE OF ANNUAL GENERAL MEETING

Rs.84 lacs per annum subject to approval of Nomination and Remuneration Committee, Board of Directors and Members by way of an Ordinary Resolution.

The Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 30, 2022, approved re-appointment of Mr. Rajesh Batra as the Managing Director of the Company for a further period of 3 (three) years with effect from June 1, 2022 and payment of remuneration of Rs.54 lacs to Mr. Rajesh Batra.

The principal terms and conditions of re-appointment are given below:

- (a) Remuneration upto Rs.54 lacs per annum which shall be inclusive of the usual allowances, benefits, amenities, perquisites and facilities as per the rules of the Company for the time being in force, but excluding contribution to provident fund & superannuation fund, gratuity and leave encashment.
- (b) Company's contribution to provident fund & superannuation fund, benefits under gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company.
- (c) Mr. Rajesh Batra shall be entitled to an annual increase in the remuneration and the Board of Directors is authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. Rajesh Batra, in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to Mr. Rajesh Batra shall not exceed the maximum limits for payment of Managerial Remuneration specified under Part II Section II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.
- (d) Notwithstanding anything contained herein, Mr. Rajesh Batra shall be entitled to remuneration of Rs.84 lacs, which is within the limits of Section II of Part II of Schedule V to the Companies Act, 2013 or within such ceiling limits as may be prescribed under Schedule V from time to time or under the Companies Act or the rules made there under as may be recodified.
- (e) Mr. Rajesh Batra, as Managing Director, shall have the overall responsibility for the operations of the Company and shall carry out such functions, exercise such powers and perform such duties as the Board may, from time to time, in its absolute discretion, determine and entrust to him.
- (f) Mr. Rajesh Batra shall not be paid any sitting fees for attending Meetings of the Board or any Committee thereof.
- (g) Mr. Rajesh Batra will be bound by non-compete and confidentiality provisions.
- (h) Either party shall be entitled to terminate the employment by giving not less than six calendar months prior notice in writing in that behalf to the other party.

In terms of provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act 2013, the appointment and payment of remuneration to Mr. Rajesh Batra as the Managing Director on remuneration of Rs.54 lacs per annum requires approval of Members by way of an Ordinary Resolution. A copy of the draft letter for re-appointment of Mr. Batra as the Managing Director setting out terms and conditions would be available for inspection without any fee by the members electronically and at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on any working day upto and including the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh Batra as the Managing Director.

The Board recommends passing of the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members of the Company.

Except Mr. Rajesh Batra, being an appointee and Mr. Rohan Batra, Director, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice. None of the Directors or Key Managerial Persons are related to Mr. Rajesh Batra except Mr. Rohan Batra who is the son of Mr. Rajesh Batra.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT FORMING PART OF NOTICE DATED JULY 28, 2022 AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V

I. GENERAL INFORMATION

- (1) Nature of Industry Trading of Yarn
- (2) Date of commencement of commercial production Date of Incorporation : June 22, 1951
- (3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus. N.A.
- (4) Financial performance based on given indicators.

(Rs. In Lacs)

	2021-22*	2020-21	2019-20	2018-19	2017-18
Paid up Capital (Equity)	258.42	258.42	258.42	258.42	258.42
Reserves & Surplus	3958.60	3598.06	3049.22	2925.78	2727.14
Secured Loans	—	—	—	9.61	128.77
Turnover	244.35	230.76	242.07	103.95	74.08
Profit/(Loss) before tax	510.11	618.63	255.29	295.21	31.97
Dividend (Final)	77.53	77.53	25.84	51.68	25.84
(Interim)	—	—	51.68	—	—

* subject to adoption in the 70th AGM

- (5) Foreign Investments or Collaborators, if any. None

II. INFORMATION ABOUT THE APPOINTEE

- (1) Background details Mr. Rajesh Batra, 67 years of age, did his schooling in Campion School, Mumbai and graduated from Elphinstone College, in 1975. He then obtained a Diploma in Systems Management from Jamnalal Bajaj Institute in 1978.

He is a second generation entrepreneur and son of Late Mr. Ram Batra a leading businessman and a former sheriff of Mumbai. Mr Rajesh Batra serves as an Independent Director on the boards of three Listed Companies. He is also a trustee on several charitable trusts and promotes sports through the Ram Batra Memorial Foundation.

- (2) Past Remuneration

(Rs. In Lacs)

Name	w.e.f. 01.04.2021 31.03.2022	w.e.f. 01.04.2020 31.03.2021	01.04.2019 to 31.03.2020
Mr. Rajesh Batra	34.58	24.63	32.82

NOTICE OF ANNUAL GENERAL MEETING

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|---|--|
| (3) Recognition or awards | A keen tennis enthusiast, Mr. Rajesh Batra was the Maharashtra State Champion during 1970s and was ranked number 6 in India at that time. He has also represented India in the Asian Junior Championships in 1973 where he was a finalist and at the World University Games in 1973 in Moscow. |
| (4) Job Profile and his suitability | <p>(a) Plan, direct and monitor the organisation's activities to achieve targets and standards for business performance.</p> <p>(b) Direct functions and performance via the executive team.</p> <p>(c) Maintain and develop organisational culture, values and reputation in its markets and with all stakeholders.</p> <p>(d) Report to Board of Directors on organisational plans and performance.</p> <p>(e) Ensure activities meet with and integrate with organisational requirements for quality management, health and safety, legal stipulations, environmental policies and general duty of care.</p> <p>Mr. Rajesh Batra has worked his way to the highest level of the corporate ladder from the grass roots. He has progressed by his sheer hard work, trustworthiness, experience and his ability to face new challenges. He is the man who constantly strives for success and being a sportsman enjoys working in a team environment.</p> |
| (5) Remuneration proposed | Upto Rs.54 lacs per annum |
| (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position of person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | N.A. |
| (7) Pecuniary relationship, directly and indirectly, with the Company or relation with the managerial person, if any. | Promoter |

III. OTHER INFORMATION

- | | |
|--|---|
| (1) Reasons of loss or inadequacy of profits. | Adverse Market Conditions. |
| (2) Steps taken or proposed to be taken for improvement. | Monitoring of expenses and improvement in working capital management. |
| (3) Expected increase in productivity and profits in measurable terms. | Around 15% improvement in performance and profitability. |

NOTICE OF ANNUAL GENERAL MEETING**IV. DISCLOSURES**

(1) The details of annual remuneration package of Mr. Rajesh Batra is as follows:

(Amount in Rs. Lacs)

Name	Basic	HRA	Special Allowance	Bonus	Gratuity	Total
Mr. Rajesh Batra	43.20	6.48	2.07	0.17	2.08	54.00

By Order of the Board of Directors
For **Cravatex Limited**

Sudhanshu Namdeo
Company Secretary
Membership No. A17132

Place : Mumbai

Dated : July 28, 2022

CIN : L93010MH1951PLC008546

Registered Office:

Ground Floor (East Wing)

Forbes Building, Charanjit Rai Marg

Fort, Mumbai - 400 001

Tel No.: +91 22 66667474

Email: investors@cravatex.com

Website: <http://cravatex.com>

REPORT OF THE BOARD OF DIRECTORS

BOARD'S REPORT

To The Members of Cravatex Limited

Your Directors are pleased to present the 70th (Seventieth) Annual Report on the business and operation of your Company together with the Audited Financial Statements of the Company including Audited Balance Sheet and the Statement of Profit and Loss for the financial year ended March 31, 2022.

	Current Year Rupees in Lacs	Previous Year Rupees in Lacs
FINANCIAL HIGHLIGHTS		
Earnings before Finance Cost, Depreciation and Taxation	651.95	757.56
Less : Finance Cost	72.12	65.34
Less : Depreciation	69.72	73.59
Profit (Loss) before Exceptional Item	510.11	618.63
Exceptional Item	—	—
Profit (Loss) before Tax	510.11	618.63
Tax Expense		
Current Tax	(79.01)	(81.50)
Deferred Tax	7.73	39.50
Excess for Earlier years	—	—
Profit (Loss) after Taxation	438.83	576.63
Other Comprehensive Income / (Loss)	(0.77)	(1.96)
Total Comprehensive Income / (Loss)	438.06	574.67

STATEMENT OF COMPANY AFFAIRS

The company's revenues are driven by Trading of textiles which is the major activity. The trailing impact of Covid related slow down resulted in an almost flat revenue during the year. However, the income from lease was protected by lease agreements with lessors. Operations were marginally hit due to work from home routine during the major part of the year. The overall operations and the business were otherwise conducted without major adverse events.

Total revenue of the company was lower vis-à-vis previous year due to lower Dividends from overseas subsidiary and other miscellaneous income. Income from trading of textiles at Rs 244.35 lacs and lease income at Rs 336.54 lacs were stable in comparison to the previous year. Dividend from overseas subsidiary was lower at Rs 460.45 lacs against the last year's dividend of Rs 534.33 lacs. The profit before finance cost, depreciation and taxation stood at Rs.651.95 lacs as against Rs.757.56 lacs last year.

PANDEMIC COVID-19

During the year the country though not recovered fully from the global Covid-19 pandemic, it showed receding signs. Although internally the adverse impact of pandemic was limited, the impact on external factors such as logistic was felt. The company had taken timely steps and precautions to ensure safety of employees and ensure normal business operations as much as possible. All the health related disciplines and operations related advisories of the government were complied with and continue to comply with. The company and its subsidiaries are equipped for conducting normal operations in the coming period.

DIVIDEND

The Directors are pleased to recommend dividend of Rs.0.40 (4%) per share of Rs.10/- each on 75,75,000 4% Non-Convertible Cumulative Redeemable Preference Shares basis for the financial year ended March 31, 2022, subject to tax deduction at source. The total outflow on this dividend account will be Rs.30.30 lacs.

The Directors are also pleased to recommend final dividend of Rs.3/- (30%) per equity share of Rs.10/- each for the financial year 2021-22, subject to tax deduction at source. The total outflow on this dividend account will be Rs.77.53 lacs.

EQUITY SHARE CAPITAL

The total issued, subscribed and fully paid up equity share capital of the Company as on March 31, 2022 was Rs.2,58,41,600/- divided into 25,84,160 equity shares of Rs. 10/- each (listed on BSE).

REPORT OF THE BOARD OF DIRECTORS**PREFERENCE SHARES**

As on March 31, 2022, the unlisted 4% Non-convertible Cumulative Redeemable Preference Shares (preference shares) issued by the Company on private placement basis was Rs. 7,57,50,000/- divided into 75,75,000 preference shares of Rs. 10/- each.

TRANSFER TO RESERVES

The Company has not transferred any amount to the general reserves during the financial year under review.

FIXED DEPOSITS

The Company does not have any fixed deposits covered under Chapter V of the Companies Act, 2013 as on March 31, 2022 and accordingly, there were no unclaimed deposits as on that date.

INSURANCE

The fixed assets of the Company have been adequately insured during the financial year under review.

DIRECTORS & KMP

- Mr. Rajesh Batra (DIN 00020764) is retiring by rotation and, being eligible, offers himself for re-appointment.
- Mr. Rajesh Batra (DIN 00020764) was appointed as the Managing Director of the Company for a period of 3 (three) years with effect from June 1, 2019 upto May 31, 2022. It is proposed to re-appoint Mr. Rajesh Batra as the Managing Director of the Company for a further period of 3 (three) years with effect from June 1, 2022.

Dr. S.D. Israni (DIN 00125532), Mr. N. Santhanam (DIN 00027724) and Mrs. Pheroza Jimmy Bilimoria (DIN 00191386), Independent Directors, have registered themselves for inclusion of their name in the Independent Directors Data Bank of The Indian Institute of Corporate Affairs. In the opinion of the Board the said Independent Directors have the integrity, expertise and experience for their re-appointment as Independent Directors in the Company.

The Company conducts familiarization programs for Independent Directors with regard to their roles, rights, responsibilities towards the Company. Detailed presentations are made to the Board and its Committees from time to time on various matters such as business, regulatory, litigation, CSR update etc.

There are no appointment/cessation of the Key Managerial Persons (KMP) during the financial year ended March 31, 2022.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

The details pertaining to the composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

SUBSIDIARY

During the year under report, none of the Company have become or ceased to be any Subsidiaries, Joint Ventures or Associate Companies. However, the Company have the following Subsidiaries:

(I) CRAVATEX BRANDS LTD (CBL)

CBL's revenues are contributed by business from Brands comprising apparel, footwear and accessories and also from Fitness Equipment business mainly consisting of Gym equipment. The business was adversely affected due to intermittent lockdown on account of Covid pandemic resulting in to loss of business for almost four months of the year. Online business of Branded goods which was substantial portion of revenue was hit by lower demand. Gym equipment business was severely affected due to closure of Gyms for major part of the year across the country. Further logistic issues and partial shut down of factories led to supply side constraints. All these factors impacted the revenues and the profits.

With a view to improving the profitability, CBL initiated various steps during the year. The company shifted major sourcing of goods, especially footwear, from overseas factories to domestic factories thereby saving on exchange cost and high import duties. CBL registered operating income of Rs.15,653 lakhs for FY 2021-22 vis a vis Rs.13,018 in the previous year. Gross margin improved by around 3% on account of improved cost structure, which is considered as an achievement in an adverse situation. Various measures such as improved ware house efficiency/management and other cost reduction were undertaken during the year. The net loss before tax of Rs.3,351 lacs as against the net loss of Rs.4,973 lakhs for previous year indicates a positive sign for the ensuing year.

REPORT OF THE BOARD OF DIRECTORS

With uninterrupted support during the year from its Bankers, top management, employees and the promoters, CBL sailed through a challenging period. The post pandemic world has brought in drastic changes in the overall business environment, especially in consumer behaviour and demand pattern. The increasing trend of inflation and fuel prices resulting from the global developments is also impacting the business severely especially the net margins. Apart from a strong market reach, adequate working capital funding is needed to overcome the future challenges.

(II) BB (UK) Limited (BBUK)

BB (UK) Limited (BBUK) is a 100% subsidiary of the Company. The principal activity of BBUK is designing, sourcing and marketing of branded goods of Fila and Sergio Tacchini under license.

The performance in the past year continued to be impacted by Covid-19 pandemic. This resulted in disruption in the supply chain and increase in shipping cost by 300% to 400%. Higher costs were also incurred on account of the impact of Brexit and the operations of its subsidiary BB Europe (GMBH) which was set up last year to deal with the European business. In addition, due to increase in raw materials cost, there was a huge pressure on margins. In spite of the above constraints, revenue for the year was marginally better at GBP 429.70 Lacs as compared to GBP 416.01 lacs in the previous year. With strict control on costs, BBUK could contain the fall in profit before tax to GBP 14.79 lacs verses GBP 16.29 lacs in the previous year.

With receding impact of Covid related restrictions, BBUK is expected to further stabilize in terms of revenue and profits.

The salient features of the financial statement of the subsidiary is set out in the prescribed Form AOC-1 as Annexure VI, which forms part of the board report.

The financial statement of the subsidiaries for the financial year ended March 31, 2022 will be kept open for inspection for the Members at the website of the Company at <http://cravatex.com/investor-relations/subsidiary-information> upto and including the date of the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company have taken all the necessary steps for ensuring compliance of all mandatory provisions of Corporate Governance in terms of Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance is incorporated as a part of the Annual Report along with a Certificate from a Practicing Company Secretary.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms a part of this report.

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

Information required pursuant to Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, is given in the Annexure I to this Report.

REPORT OF THE BOARD OF DIRECTORS**CHANGES IN THE NATURE OF BUSINESS**

There is no change in the nature of business carried on by the Company and of its Subsidiaries. The Company has not changed the class of business in which the Company has interest.

MATERIAL CHANGES AND COMMITMENTS

There have been no significant material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSOLIDATED ACCOUNTS

The Company had adopted the Indian Accounting Standards (IND AS) from April 1, 2017, and accordingly, the consolidated financial statements have been prepared in accordance with the recognition and measurement principles in IND AS Interim Financial Reporting and those prescribed under the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles issued by the Institute of Chartered Accountants of India.

ANNUAL RETURN

The annual return in Form MGT-7 referred to in Section 92(3) of the Companies Act, 2013 is placed on the website of the Company at <http://cravatex.com/investor-relations/annual-return-2021-22.pdf>.

PARTICULARS OF THE EMPLOYEES

The Information required under Section 197(12) of the Companies Act, 2013 read with rules made thereunder is included in the board report as Annexure II and forms part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the Board is undertaken. The Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, the evaluation was completed by the company. A structured questionnaire was prepared after taking into consideration the various aspects of the Board functioning, composition and the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

In case of Independent Directors, the performance evaluation was undertaken based on various criteria such as their delivery, contribution to the Board/Committees, attendance at the respective meetings, sharing of best practices, engaging with top management team etc.. The performance of the Chairman and Non-Independent Directors were also carried out by the Independent Directors.

As an outcome of the above exercise, it was noted that the functioning of the Board as a whole, Independent Directors, Non Independent Directors and the Chairman was satisfactory and well conducted.

NUMBER OF BOARD MEETINGS

The Company held 5 (five) Board Meetings during the Financial Year 2021 - 22. These were on May 31, 2021, June 29, 2021, August 13, 2021, November 12, 2021 and February 14, 2022.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy as part of mechanism to provide a fair avenues to the Directors and employees for reporting genuine concerns or grievances on any issue which is perceived to be in violation/conflict with the Code of the Company. The Policy has been posted on the website of the Company.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Remuneration Policy has been formulated and adopted by the Board. The salient features are as follows:

REPORT OF THE BOARD OF DIRECTORS

PURPOSE OF THE POLICY

- (a) To provide guidelines to the Board while identifying persons for appointment as directors / for positions in senior management
- (b) To identify and evaluate the suitability of persons for recommending them to the Board for their appointment as directors including managing directors and executive directors, as also persons who may be appointed in senior management positions.
- (c) To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management. The terms of remuneration shall be based keeping in view various aspects including qualifications, experience, performance, commitment, leadership skills, etc.
- (d) To devise plans from time to time to motivate, retain and promote talent so as to ensure long term continuity of such personnel and in the process creating competitive advantage for the Company.

ROLE OF THE COMMITTEE

- (a) To identify persons who are suitable for appointment as directors.
- (b) To recommend the remuneration policy for the directors, KMP and senior management.
- (c) To formulate the criteria for evaluation of Independent Directors and the Board;
- (d) To devise a policy on Board diversity.
- (e) To disclose the remuneration policy and the evaluation criteria in its Annual Report.
- (f) To recommend Board about the appointment and removal of directors.
- (g) While formulating such a policy the Committee shall ensure that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The entire policy is also disseminated on the website of the Company at <http://cravatex.com/investor-relations/Nomination-and-Remuneration-Policy.pdf>.

RELATED PARTY TRANSACTIONS

All related party transactions are placed before the audit committee and board for approval.

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in the ordinary course of business or not at arm's length during the financial year 2021-22. There are no material contract/arrangement/transaction with related parties at arms length basis during the year under review. Accordingly, the disclosure relating to Form AOC-2 is not attached separately.

The Company has laid down policies and processes/procedures so as to ensure compliance to Section 188 of the Companies Act, 2013 and the corresponding Rules. The details of related party transactions for the financial year 2021-22 are provided in Note 36 of the audited financial statements.

There are no transactions during the financial year under review with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at <http://cravatex.com/investor-relations/Policy-on-Materiality-of-Events.pdf>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 of the SEBI (LODR) Regulations, 2015, the Company had appointed M/s. Hemanshu Kapadia & Associates, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2021-22. The secretarial audit report is included as Annexure III and forms a part of this report.

Pursuant to the amendment in Regulation 24(1) of the SEBI (LODR) Regulations, 2015, the secretarial audit report of the material subsidiary of the Company, namely, Cravatex Brands Ltd. is included as Annexure IV and forms part of this report.

REPORT OF THE BOARD OF DIRECTORS

CORPORATE SOCIAL RESPONSIBILITY

Consequent to the net profits for the financial year 2020-21 exceeding Rs.5 crores, the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 has become applicable to the Company from the financial year 2021-22.

In terms of Section 135 of the Companies Act, 2013 read with CSR Rules and in accordance with the CSR Policy and the Annual Action Plan, the Company has during the financial year 2021-22 spent over two percent of the average net profits of your Company during the three preceding financial years. The details are provided in the Annual Report on CSR activities. The Company has also formulated a CSR Policy, which is available on the website of the Company at <http://cravatex.com/investor-relations/CSRPolicy.pdf>. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules") is annexed as Annexure V and forms an integral part of this Report.

INTERNAL CONTROL SYSTEMS

Objective evaluation of adequacy and efficiency of internal controls and systems are done by qualified audit firm and monitored closely by the top management. Present control systems are considered as adequate for the size of business.

RISK MANAGEMENT

The risks that the Company is exposed to in the normal circumstance and the measures taken by the Company to tackle the same are as follows:

Sr. No.	Risk Description	Key Risk Matrix	Mitigation Measure
1	Destruction of properties and assets due to fire etc	Loss of assets resulting in financial loss.	Comprehensive insurance is taken and monitored from time to time for adequacy.
2	Loss of income from office premises	Fall in rentals in the market, Premises falling vacant	A duly registered Leave and License is contracted with reputed Licensee for a certain period.
3	Covid related lockdown	Loss of business due to restricted operations	Strengthening of relationship in the market for support and internal cost control for maintaining margins.

AUDITORS' REPORT

The are no fraud to be reported as required under Section 134(3)(ca) of the Companies Act, 2013.

There are no qualifications, reservation, adverse remark or disclaimer made by the Auditors of the Company in his report and by the Company Secretary in Practice in his secretarial audit report under Section 134(3)(f) of the Companies Act, 2013.

STATUTORY AUDITORS

M/s. GPS and Associates, Chartered Accountants, Mumbai (Firm Regd. No. 121344W) were appointed as the Statutory Auditors of the Company in the 65th Annual General Meeting of the Company to hold office from the conclusion of the 65th Annual General Meeting until the conclusion of the 70th Annual General Meeting. The said Statutory Auditor shall hold office until the conclusion of the 70th Annual General Meeting.

It is proposed to re-appoint M/s. GPS and Associates, Chartered Accountants, Mumbai (Firm Regd. No. 121344W) as the Statutory Auditors of the Company for a second term to hold office from the conclusion of the 70th Annual General Meeting until the conclusion of the 75th Annual General Meeting to be held in the year 2027.

PREVENTION OF SEXUAL HARASSMENT

Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 every Company is required to adopt policy for prevention of Sexual Harassment of Women at workplace set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. As the number of employees in the Company is less than ten, the Company is not required to adopt policy for prevention of Sexual Harassment of Women at workplace and set up Committee for implementation of said policy. However, the spirit of the regulation is taken note of in case of any event for appropriate action in the interest of a healthy corporate governance.

REPORT OF THE BOARD OF DIRECTORS

TRANSFER OF UNCLAIMED SHARES TO IEPF

Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 and General Circular No.12/2017 dated October 16, 2017, stipulated that shares on which dividend has not been paid or claimed for 7 consecutive years or more are to be transferred to the Investor Education and Protection Fund (IEPF), a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

Accordingly, the Company had sent individual notices to the respective shareholders at their latest available address in the records of Company and Depositories providing the details of shares which are due for transfer requesting them to claim their unpaid dividends on or before September 29, 2021 and avoid the transfer of their shares to IEPF. The Company had also published a newspaper notice in Business Standard in English Language and in Sakal in Marathi Language to this effect. In case where no valid claim was received on or before September 29, 2021 the Company would take necessary steps to issue duplicate share certificate (for the shares held in physical mode) and issue delivery instruction slip (for the shares held in demat mode) and transfer the shares to IEPF account. Accordingly, 2,475 Equity Shares of the Company have been transferred to the Investor Education and Protection Fund (IEPF) during the financial year 2021-22 in accordance with Section 125 of the Companies Act, 2013 read with the rules made thereunder.

SECRETARIAL STANDARDS

The Company has complied with all the applicable secretarial standards issued by The Institute of Company Secretaries of India and notified by the Central Government.

COST RECORDS

As per Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the maintenance of cost records is not mandated for the Company.

MISCELLANEOUS

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

There are no details to be provided for difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

There are no details to be provided for voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company as there is no such scheme as envisaged under Section 67(3) of the Companies Act, 2013.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the efforts, hard work, dedication and commitment put by employees at all levels as also for the valuable support extended by the Members, Bankers and other business associates.

**For and on behalf of the Board of Directors
For Cravatex Limited**

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Place : Mumbai
Dated : July 28, 2022

CIN : L93010MH1951PLC008546

Registered Office:

Ground Floor (East Wing)
Forbes Building, Charanjit Rai Marg
Fort, Mumbai - 400 001
Tel No.: +91 22 66667474
Email: investors@cravatex.com
Website: <http://cravatex.com>

REPORT OF THE BOARD OF DIRECTORS

Annexure I

ANNEXURE TO THE DIRECTORS' REPORT

Additional information as required under The Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(a) The steps taken on conservation of energy:

The consumption of electricity/energy is restricted to its office premises. The Company has been making optimum use of electrical energy by regular maintenance of office electrical installations. Regular monitoring is done for preventing wastage of energy.

(b) Impact on conservation of energy:

Not discernable

(c) The steps taken by the company for utilising alternate sources of energy

None as the Company is not engaged in any manufacturing activities and the energy consumption is restricted for its office premise and it is insignificant.

(d) The capital investment on energy conservation equipments:

None presently.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

Not Applicable as the Company is not engaged in any Hitech or Manufacturing Activities.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

Not Applicable

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

(iv) The expenditure incurred on Research and Development.

None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

	2021-22 Rupees in Lacs	2020-21 Rupees in Lacs
Earnings: Dividend Income from BB (UK) Limited (Subsidiary of the company)	460.45	534.33
Expenditure:	—	—

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE II

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sr. No.	Name of the Director	Ratio of the remuneration of each director to the median remuneration
1.	Rajesh Batra	1.81
2.	Divakar G. Kamath	1.37

NOTE:

- a) Apart from Mr. Rajesh Batra, Managing Director and Mr. Divakar G. Kamath, Executive Director and CFO, no other Director was entitled for remuneration in financial year 2021-22 and other Directors were paid Sitting Fees for attending Board/Committee Meetings.
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

Sr. No.	Name	Designation	% Increase
i.	Rajesh Batra	Managing Director	—
ii.	Divakar Kamath	Executive Director and CFO	10
iii.	Sudhanshu Namdeo	Company Secretary	10

3. The percentage increase/(decrease) in the median remuneration of employees in the financial year : 10%
4. The number of permanent employees on the rolls of company as on 31/03/2022: 6
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:

	% Change
Remuneration paid to employees excluding managerial personnel	9.29
Remuneration paid to managerial personnel	5.90

6. It is hereby affirmed that the remuneration paid is within the Remuneration Policy of the Company for Directors, Key Managerial Persons and Employees.
7. (i) The name of employees who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees : None
- (ii) The name of employees who if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month ; None

REPORT OF THE BOARD OF DIRECTORS

8. The name of every employee of the company who if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director : None
9. The Managing Director or Executive director of the company does not receive any remuneration or commission from any holding company or subsidiary company of the company.
10. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE III

Form No. MR-3

SECRETARIAL AUDIT REPORT

*For the Financial year ended 31st 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 Cravatex Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cravatex Limited for the financial year ended on March 31, 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 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit period as the Company has not issued any new securities**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not Applicable to the Company during the Audit period as the Company has not issued any securities under Employee Stock Option Scheme**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit period as delisting of securities did not take place**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit period as the Company has not Bought back its securities**);
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The Management has confirmed that the Company is engaged in trading activity only and therefore there is no sector specific law applicable to the Company.

REPORT OF THE BOARD OF DIRECTORS

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with the Companies Act, 1956 (wherever applicable);

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings held during the year and signed by the Chairman, majority decisions are carried through are recorded as part of the minutes and no dissenting views have been recorded. Further, as confirmed by the Management, mechanism to capture and record the dissenting Members' views as a part of the minutes, exist.

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

I further report that during the audit period, there were no instances of:

- (i) Public/Rights/Bonus issue of shares/debentures/sweat equity.
- (ii) Buy-back of securities.
- (iii) Merger/amalgamation/reconstruction etc.
- (iv) Foreign technical collaborations.

For Hemanshu Kapadia & Associates
Practising Company Secretaries

Hemanshu Kapadia

Proprietor

C.P. No. 2285

Membership No. 3477

Peer Review Certificate No. 1620/2021

UDIN: F003477D000699469

Place : Mumbai
Dated : July 28, 2022

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

REPORT OF THE BOARD OF DIRECTORS

Annexure A

To The Members Cravatex Limited

My report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. I examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Hemanshu Kapadia & Associates
Practising Company Secretaries

Hemanshu Kapadia
Proprietor

C.P. No. 2285
Membership No. 3477
Peer Review Certificate No. 1620/2021
UDIN: F003477D000699469

Place : Mumbai
Dated : July 28, 2022

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

*For the Financial year ended 31st 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
Cravatex Brands Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cravatex Brands Limited** (CIN U51909MH2016PLC288788) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit the explanations and clarifications given to us and the representations made by the Management, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 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 Cravatex Brands Limited for the financial year ended on 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 ('SCRA') and the rules made thereunder:
(Not applicable to the Company as it is an Unlisted Public Limited Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
(Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
(Not applicable to the Company as it is an Unlisted Public Limited Company)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

REPORT OF THE BOARD OF DIRECTORS

- (vi) The Management has confirmed that the Company is engaged in trading activity only and therefore there is no sector specific law applicable to the Company.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where meeting was called and held at shorter notice, in compliance with the provisions of the Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings held during the year and signed by the Chairman, majority decisions are carried through are recorded as part of the minutes and no dissenting views have been recorded. Further, as confirmed by the Management, mechanism to capture and record the dissenting Members' views as a part of the minutes, exist.

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

We further report that during the audit period, there were no instances of:

- (i) Public/Bonus issue of shares/sweat equity, etc except for:
- (a) Rights issue of Compulsory Convertible Preference Shares on 10th June, 2021 and 18th August, 2021.
 - (b) Allotment of Compulsory Convertible Preference shares on 28th August, 2021 and 16th March, 2022 pursuant to the scheme of Merger.

Further the Company has also issued unrated unlisted unsecured redeemable optionally-convertible debentures on private placement basis during the year under review.

- (ii) Redemption/buy-back of securities.
- (iii) Merger/amalgamation/reconstruction etc. The Scheme of Merger approved by the Hon'ble National Company Law Tribunal vide Order dated 25th March 2021 was filed with the Registrar of Companies, Maharashtra, Mumbai on 30th June 2021.
- (iv) Foreign technical collaborations.

For Hemanshu Kapadia & Associates
Practising Company Secretaries

Hemanshu Kapadia
Proprietor
C.P. No. 2285
Membership No. 3477
UDIN: F003477D000395704

Place : New York
Dated : May 26, 2022

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

REPORT OF THE BOARD OF DIRECTORS**Annexure A****To The Members
Cravatex Brands Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Hemanshu Kapadia & Associates
Practising Company Secretaries

Hemanshu Kapadia
Proprietor

C.P. No. 2285

Membership No. 3477

UDIN: F003477D000395704

Place : New York
Dated : May 26, 2022

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE V

Annual Report on CSR Activities to be included in the Board's Report for the Financial Year 2021-22

1.	Brief outline on CSR Policy of the Company		<p>Corporate Social Responsibility ("CSR") embodies the various initiatives and programs in the communities and environment in which the Company operate. It represents the continuing commitment and actions of the Company to contribute towards economic and social development and growth.</p> <p>The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 ("the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company will undertake CSR activities specified in Schedule VII to the Act.</p>		
2.	Composition of CSR Committee:		Not Applicable (as the amount spent during the financial year was less than rupees fifty lakhs)		
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	Not Applicable				
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.				http://cravatex.com/
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).				Not Applicable
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any				Nil
	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)	
	Not Applicable				
6.	Average net profit of the company as per section 135(5)				Rs.403.03 Lacs
7.	(a)	Two percent of average net profit of the company as per section 135(5)			Rs.8.06 Lacs
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years			Nil
	(c)	Amount required to be set off for the financial year, if any.			Nil
	(d)	Total CSR obligation for the financial year (7a+7b-7c)			Rs.8.06 Lacs

REPORT OF THE BOARD OF DIRECTORS

8.	(a)	CSR amount spent or unspent for the financial year:											
		Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)										
			Total Amount transferred to any fund specified under Unspent CSR Account as per Schedule VII as per second proviso to section 135(5). section 135(6)										
			Amount	Date of transfer	Name of the Fund	Amount	Date of transfer						
			Rs.10.20 Lacs	Nil									
	(b)	Details of CSR amount spent against ongoing projects for the financial year : Nil											
	(c)	Details of CSR amount spent against other than ongoing projects for the financial year : Nil											
		Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/ No)	Mode of implementation – Through implementing agency			
					State	District	Name			CSR registration number			
		Nil											
	(d)	Amount spent in Administrative Overheads : Nil											
	(e)	Amount spent on Impact Assessment, if applicable : Nil											
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil											
(g)	Excess amount for set off, if any												
	Sl. No.	Particular							Amount (in Rs.)				
	(i)	Two percent of average net profit of the company as per section 135(5)							Rs.8.06 Lacs				
	(ii)	Total amount spent for the Financial Year							Rs.10.20 Lacs				
	(iii)	Excess amount spent for the financial year [(ii)-(i)]							Rs.2.14 Lacs				
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any							Nil				
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]							Rs.2.14 Lacs				

REPORT OF THE BOARD OF DIRECTORS

9.	(a)	Details of Unspent CSR amount for the preceding three financial years:							
	Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)	
					Name of the Fund	Amount (in Rs.)	Date of transfer		
		Nil							
10.	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):							
	Sl. No.	Project ID	Name of the project	Financial Year in which project commence	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on project the reporting Financial Year (in Rs.)	Cumulative amount at the end reporting Financial Year (in Rs.)	Status of the project – Completed / Ongoing
		Nil							
		In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)						Nil	
	(a)	Date of creation or acquisition of the capital asset(s)							
	(b)	Amount of CSR spent for creation or acquisition of capital asset							

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE VI

Form AOC-I

[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 companies for the financial year ended March 31, 2022.

Part "A": Subsidiaries

			Rupees in Lacs
1. Name of the subsidiary	Cravatex Brands Limited	BB (UK) Ltd.	BB Europe GmbH (Step down subsidiary)
2. Date since when subsidiary was acquired	02/02/2017	25/02/2011	23/12/2020
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as Holding	Same as Holding	Same as Holding
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	(GBP) Rs.99.55	(EURO) Rs.84.65
5. Share Capital	11,388	41.85	22.11
6. Reserves & Surplus	(15,501)	7,218.73	28.57
7. Total Assets	22,340	13,240.01	993.81
8. Total Liabilities	26,452	5,979.44	943.14
9. Investments	460	22.11	NIL
10. Turnover	16,159	41,170.07	2,366.03
11. Profit/(Loss) before Taxation	(3,351)	1,411.33	50.11
12. Provision for Taxation	16	74.59	4.72
13. Profit/(Loss) after Taxation	(3,335)	1,336.74	45.39
14. Proposed Dividend	NIL	460.45	NIL
15. Interim Dividend	NIL	NIL	NIL
16. % of Shareholding	99.997%	100%	N.A.

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 |

**For and on behalf of the Board of Directors
For Cravatex Limited**

Place : Mumbai
Dated : May 30, 2022

CIN : L93010MH1951PLC008546
Registered Office:
Ground Floor (East Wing)
Forbes Building, Charanjit Rai Marg
Fort, Mumbai - 400 001
Tel No.: +91 22 66667474
Email: investors@cravatex.com
Website: http://cravatex.com

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar G. Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No. A17132

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure and Development

The discretionary consumer segment, especially the sports goods including the textiles related goods, was severely impacted due to the Covid-19 pandemic induced lockdown implemented by the Governments across the country. Trading of textiles, the major activity of the company was also impacted. It recorded an almost flat revenue during the year. Income from lease was stable due to contracted agreements. Total revenue of the company was bit lower due to lower dividend and other miscellaneous income. Although the overall economy was still limping, the company demonstrated a stable performance indicating growth prospects in the years to come.

The Consumer Brands business in subsidiaries started showing signs of gradual recovery during the year. Continued lockdowns and the slow recovery in online sales during most part of the year hindered the growth in the subsidiaries. Increase in logistic expenses and raw material prices had their effect on margins impacting the revenue growth and the profitability during the year.

(b) Opportunity and Threats

Survival post the pandemic phase and ability to meet the working capital requirement continues to be crucial. With marginal players exiting some of the business segments, regaining of market share is an opportunity. Efforts are made to encash the situation. Intermittent Covid related instances are the immediate threats for which the company has geared up with necessary precautions and measures.

(c) Segment wise/product wise Performance and outlook

The Annual report covers the company's performance for the year. The long term outlook is positive. The present economic condition and events across the world are challenging in the short to medium term, which may impact the demand side factors.

(d) Risks and concerns

The company has adequate process for mitigation of various known risks. With increase in cost of raw material and logistics, improvement in margins is a challenge. Various other means of cost reduction are adopted to protect the margins as much as possible.

(e) Internal control system and their adequacy

The company has adequate and appropriate procedures, internal controls and monitoring system for safety and security of its business and assets. Adhering to the structured SOPs is accorded high importance. The Internal Audit is carried out by external firm of Chartered Accountants who evaluates the functioning and quality of internal controls. Improvement advises if any are implemented from time to time.

(f) Discussion on financial performance with respect to operational performance

The intermittent lockdown during the year hampered the company's operations to some extent which resulted in an almost flat revenue from operations. The income from lease was unaffected due to lease agreements executed with lessors. Further, due to work from home routine by employees, the pace of operations was marginally hit. With gradual improvement in Covid related issues, the overall operations of the company are expected to be at pre-Covid levels.

(g) Material developments in Human Resources/Industrial Relations front, including number of people employed

The Covid pandemic had an adverse impact on movement of people during the last two years. The company adopted an employee friendly policy safeguarding wellbeing of the employees. Flexible timings and encouragement to get vaccinated were some of the steps taken to protect the employees. There is no material development impacting the company in Human Resources/Industrial Relations front. The overall industrial relations had been satisfactory. The company has 6 employees on its rolls as at 31st March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios and change in return on net worth along with detailed explanations therefor are as follows:

Ratio Analysis	2021-22	2020-21
1 Debtors Turnover Ratio*	30.91	5.91
2 Inventory in days COGS**	0.98	2.09
3 Interest Coverage Ratio	NA	836.99
4 Debt to Equity Ratio	0.07	(0.10)
5 Current Ratio	0.46	3.77
6 Operating Profit Margin Ratio	4.29%	4.78%
7 Net Profit Margin Ratio	39.16%	46.76%
8 Return on net Worth	10.41%	14.95%

* Debtors are reckoned on average basis.

** Inventory is reckoned on average basis.

Reasons for significant change in ratios as on 31st March 2022 vis a vis the previous year are as follows:

1. Debtors turnover Ratio: Debtors turnover ratio has improved as on 31st March, 2022 due to lower average outstanding debtors mainly due to subdued activity in the last quarter.
2. Inventory Turnover Ratio: Inventory turnover ratio has improved as on 31st March, 2022 due to Nil inventory mainly due to subdued activity in the last quarter.
3. Interest Coverage Ratio: The Company has become debt free from the year 2020-21 and hence the interest coverage ratio for 2021-22 is not applicable.

Debt to Equity Ratio: During the year net debt has increased since the company has monetized it's current investment in mutual funds thus increasing the ratio.

4. Current ratio: The ratio has reduced due to reduction in current assets and increase in current liabilities. During the year current assets were reduced since company has monetized it's current investment in mutual fund for investment in subsidiary company which is considered as non current. Further, current liabilities have increased due to reclassification of security deposit since rental agreement for owned properties are due for renewal within 12 months.
5. Operating profit margin: The OPM is stable with marginal variation for the current year.
6. Net Profit Margin and Return on Net Worth: The ratios have come down mainly on account of lower dividend received from the overseas subsidiary and miscellaneous income vis a vis the previous year.

Disclosure of Accounting Treatment

The Company had adopted the Indian Accounting Standards (IND AS) and accordingly, the financial statements including the consolidated financial statements have been prepared in accordance with the recognition and measurement principles in IND AS interim financial reporting and those prescribed under the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles issued by the Institute of Chartered Accountants of India.

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

The Board has taken necessary steps to ensure that all regulatory and mandatory provisions of Corporate Governance have been complied with. The Board furnishes the following relevant information for the benefit of the Members.

1. Company's Philosophy on Code of Governance

Fair, transparent and ethical practices are signs of an healthy corporate governance of a successful company. Every company strives to achieve excellence in all aspects of a business. Helping employees succeed by providing necessary support, feedback and build teams that collaborate and contribute to their's as well as the company's success. While the company believes and practices all these healthy corporate values, company's philosophy on corporate governance ensures accountability, ethical corporate behavior and fairness to all stakeholders which include regulators, customers, vendors investors and employees.

2. Board of Directors

Composition/Category of Directors, Attendance, No. of Board/Committees No. of Shares as on March 31, 2022

Directors	Designation	Board Meetings		Last AGM Attended	No. of Other Directorships ¹	Member of Committees/ (Chairman) ²	No. of Equity Shares
		Held	Attended				
<u>Executive Directors:</u>							
Mr. Rajesh Batra (Chairman)	Managing Director	5	5	Yes	7 (chairman of 2)	4 (chairman of 1)	70 ³
Mr. Divakar G. Kamath	Executive Director & CFO	5	5	Yes	0	0	100
<u>Non Executive Directors:</u>							
Dr. S. D. Israni	Independent Director	5	5	Yes	3	4 (chairman of 1)	0
Mr. N. Santhanam	Independent Director	5	5	Yes	1	1 (chairman of 1)	0
Mrs. Pheroza Jimmy Bilimoria	Independent Director	5	5	Yes	0	2	0
Mr. Rohan Batra	Director	5	5	Yes	2	0	10

1 excludes alternate directorship, directorship in section 8 companies, foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.

2 includes audit committee & stakeholders relationship committees of public companies.

3 includes 20 equity shares each held on behalf of partnership firm and trust.

None of the Directors are related to any other Director on the Board, except Mr. Rajesh Batra and Mr. Rohan Batra, who are related to each other as Father and Son.

REPORT ON CORPORATE GOVERNANCE

The name of the other listed entities in which the Director is also a Director and the category of Directorship as on March 31, 2022 are as follows:

Name of the Director	Name of the Other Listed Entity	Category of Directorship
Mr. Rajesh Batra	National Peroxide Limited	Independent Director
	Bombay Burmah Trading Corporation Limited	Independent Director
	Bombay Dyeing and Manufacturing Co. Ltd.	Independent Director
Dr. S.D. Israni	Modern India Limited	Independent Director
	Advani Hotels and Resorts (India) Limited	Independent Director
Mr. N. Santhanam	N.A.	N.A.
Mrs. Pheroza Jimmy Billimoria	N.A.	N.A.
Mr. Divakar G. Kamath	N.A.	N.A.
Mr. Rohan Batra	N.A.	N.A.

The Company held 5 (five) Board Meetings during the Financial Year 2021 - 22. These were on May 31, 2021, June 29, 2021, August 13, 2021, November 12, 2021 and February 14, 2022.

The details of familiarization programmes imparted to the Independent Directors are available at the weblink <http://cravatex.com/investor-relations/familiarisation-programmes.pdf>

The matrix of core skills/expertise/competencies identified by the Board of directors as required in the context of its business and sector for it to function effectively and those actually available with the Board are

Skills	Rajesh Batra	S.D. Israni	N. Santhanam	Pheroza Jimmy Billimoria	Divakar G. Kamath	Rohan Batra
Industry Knowledge	✓			✓		✓
Finance & Accounts	✓		✓		✓	✓
Risk Management	✓	✓	✓		✓	
International Business	✓		✓	✓		✓
Marketing/Sales	✓			✓		✓
Legal/Regulatory		✓	✓		✓	
Business Operations	✓			✓		✓
Corporate Leadership	✓	✓	✓	✓	✓	✓

In the opinion of the Board all the independent directors meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management of the Company.

None of the Independent Directors have resigned before the expiry of their tenure during the financial year ended March 31, 2022.

There are no convertible instruments issued by the Company and hence none of the Directors hold any convertible instruments.

REPORT ON CORPORATE GOVERNANCE

3. Audit Committee

The committee is formed in terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) Terms of Reference

The role and terms of reference of the Audit Committee include oversight of financial reporting process, review of Internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the Internal Auditors and Statutory Auditors, selection and establishment of accounting policies, review of financial statements, both quarterly and annual, before submission to the Board, review of management discussion and analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems, approve policies in relation to the implementation of Insider Trading Code and supervise its implementation and other matters specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

(b) Composition

The Audit Committee consists of the following Non-executive Directors during the financial year 2021 - 22:

- (1) Mr. N. Santhanam (Chairman), Independent Director
- (2) Dr. S.D. Israni, Independent Director
- (3) Mrs. Pheroza Jimmy Bilimoria, Independent Director and

Mr. Sudhanshu Namdeo, Company Secretary acts as the Secretary to the Committee.

(c) Number of Meetings, Attendance

The Company held 5 (five) Audit Committee Meetings during the Financial Year 2021 - 22. These were on May 31, 2021, June 29, 2021, August 13, 2021, November 12, 2021 and February 14, 2022. The details of attendance of the Audit Committee Members during the financial year 2021 - 22 are given below:

Name	No. of Meetings Held	No. of Meetings Attended
Mr. N. Santhanam	5	5
Dr. S. D. Israni	5	5
Mrs. Pheroza Jimmy Bilimoria	5	5

4. Nomination and Remuneration Committee

The committee is constituted in terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) Terms of Reference

Broad terms of reference of the Committee include recommendation to the Board the set up and composition of the Board and its committees, identification of persons who are qualified to become directors and who may be appointed in KMP/ senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance and recommend to the Board the remuneration Policy for Directors, KMP/senior management personnel and other employees.

(b) Composition

The Nomination and Remuneration Committee consists of the following Non-executive Directors during the financial year 2021 - 22:

- (1) Dr. S.D. Israni (Chairman), Independent Director
- (2) Mr. N. Santhanam, Independent Director and
- (3) Mrs. Pheroza Jimmy Bilimoria, Independent Director

REPORT ON CORPORATE GOVERNANCE

(c) Number of Meetings and Attendance

The Company held 2 (two) Nomination and Remuneration Committee Meeting on July 16, 2021 and February 11, 2022. The details of attendance of the Nomination & Remuneration Committee Members during the financial year 2021 - 22 are given below:

Name	No. of Meetings Held	No. of Meetings Attended
Dr. S. D. Israni	2	2
Mr. N. Santhanam	2	2
Mrs. Pheroza Jimmy Bilimoria	2	2

(d) Performance Evaluation

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. The Board monitors and reviews the Board evaluation framework.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 4(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board is required to carry out the evaluation of its annual performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration and other committees. The Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including Chairman of the Board. Accordingly the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. A separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The Board also carried out the performance evaluation of the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

5. Stakeholders Relationship Committee

The committee is constituted in terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) Terms of Reference

Broad terms of reference of the Stakeholders Relationship Committee are to approve and issue/register the transfers and/or transmission of equity shares of the Company, redressal of grievances/complaints of security holders. The Stakeholders Relationship Committee is headed by Dr. S.D. Israni, Independent Non-executive Director of the Company

(b) Composition

The Stakeholders Relationship Committee consists of the following Directors for the financial year 2021-22:

- (1) Dr. S.D. Israni - Independent Non-executive Director (Chairman)
- (2) Mrs. Pheroza Jimmy Bilimoria - Independent Non-executive Director and
- (3) Mr. Rajesh Batra - Managing Director

(c) Compliance Officer

Mr. Sudhanshu Namdeo, Company Secretary is designated as the Compliance Officer.

(d) No. of Shareholders Complaints Received, Not Resolved and Pending

There were no investor complaints received during the financial year 2021 - 22. There were no unresolved complaints and no complaints were pending at the end of the Financial Year ended March 31, 2022.

REPORT ON CORPORATE GOVERNANCE

(e) Number of Meetings and Attendance

The Company held 1 (one) Stakeholders Relationship Committee Meeting on February 11, 2022 during the financial year 2021-22 which was attended by all Members.

6. Risk Management Committee

The provisions of Regulation 21 of SEBI (LODR) for constitution of Risk Management Committee, determined on the basis of market capitalisation as at the end of the immediate previous financial year, are not applicable to the Company.

Remuneration of Directors

The Non-executive Directors are paid remuneration by way of sitting fees. The details of sitting fees paid to the Non-executive Directors during the financial year 2021 - 22 are given below:

Name	Sitting Fees (Rs.)
Dr. S. D. Israni	2,00,000/-
Mr. N. Santhanam	2,00,000/-
Mrs. Pheroza Jimmy Bilimoria	2,00,000/-
Mr. Rohan Batra	2,00,000/-

The details of sitting fees paid to the Audit Committee Members during the financial year 2021 - 22 are given below:

Name	Sitting Fees (Rs.)
Mr. N. Santhanam	1,00,000/-
Dr. S. D. Israni	1,00,000/-
Mrs. Pheroza Jimmy Bilimoria	1,00,000/-

The details of sitting fees paid to the Nomination & Remuneration Committee Members during the financial year 2021 - 22 are given below:

Name	Sitting Fees (Rs.)
Dr. S. D. Israni	40,000/-
Mr. N. Santhanam	40,000/-
Mrs. Pheroza Jimmy Bilimoria	40,000/-

The details of sitting fees paid to the Stakeholders Relationship Committee Members during the financial year 2021 - 22 are given below:

Name	Sitting Fees (Rs.)
Dr. S. D. Israni	20,000/-
Mrs. Pheroza Jimmy Bilimoria	20,000/-

REPORT ON CORPORATE GOVERNANCE

The appointment of Mr. Rajesh Batra, Managing Director and Mr. Divakar G. Kamath, Executive Director and CFO is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Members of the Company, which covers the terms of such appointment and remuneration payable. The details of remuneration paid to Mr. Rajesh Batra, Managing Director and Mr. Divakar G. Kamath, Executive Director and CFO during the financial year 2021 - 22 are given below:

(Amount in Rs.)

Name	Basic	HRA	Special Allowance	LTA	Bonus	Total
Mr. Rajesh Batra	29,52,000	2,40,000	2,49,288	—	16,800	34,58,088
Mr. Divakar G. Kamath	20,96,400	1,50,000	40,944	66,000	16,800	23,70,144

Presently, the Company does not have a scheme for grant of stock options either to the Directors or to the employees.

The criteria for payment to non-executive Directors is in line with practices followed by similar sized Companies keeping in view the role, responsibilities and contribution of the non-executive Directors. Apart from receiving sitting fees, none of the non-executive Directors or their relatives have any pecuniary relationship or transactions with the Company.

Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year ended March 31, 2022:

Directors	Contract Period (Tenure)	Service Contract	Notice Period & Severance Fees
Managing Director	3 years w.e.f June 1, 2019 to May 31, 2022	Yes	Six months' notice or six months' salary, in lieu thereof
Executive Director and CFO	3 years w.e.f April 1, 2020 to March 31, 2023	Yes	Three months' notice
Non-Executive, Non-Independent Director	None. The Non-Executive Directors, liable to retire by rotation, get re-appointed as per the provisions of Articles of Association of the Company and the Companies Act, 2013.	No	None
Non-Executive, Independent Director	None. The Non-Executive Independent Directors are appointed for a fixed term of 5 years.	No	None

Independent Directors' Meeting:

As a part of healthy Corporate Governance, as mandated under Schedule IV of the Companies Act 2013 and the Rules thereunder the independent directors met on February 11, 2022 without the presence of Managing Director, Non- Independent Directors and Management Team. The meeting was attended by all Independent Directors and was convened to enable independent directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. At the meeting, they

- (i) reviewed the performance of non-independent directors and the Board as a whole;
- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of other directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board and its committees that is necessary for the Board to effectively and reasonably perform their duties

The independent directors present in the meeting held an unanimous opinion that the Non-Independent Directors, including the Managing Director bring to the Board, abundant knowledge in their respective fields and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company. The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative. The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

REPORT ON CORPORATE GOVERNANCE

7. General Body Meetings

(a) Location and time where last three AGMs were held:

	I (AGM)	II (AGM)	III (AGM)
Date	27/08/2021	13/08/2020	14/08/2019
Venue	N.A. Through Video Conference / Other Audio Visual Mode of NSDL	N.A. Through Video Conference / Other Audio Visual Mode of NSDL	Textiles Committee P. Balu Road, Prabhadevi Chowk Prabhadevi Mumbai-400 025
Time	3.30 p.m.	3.30 p.m.	10.30 a.m.

(b) Whether any Special Resolutions were passed in the previous three AGMs?

Yes

(c) Whether any Special Resolutions were passed last year through postal ballot – details of voting pattern.

No

(d) Person who conducted the postal ballot exercise ?

N.A.

(e) Whether any Special Resolution is proposed to be conducted through postal ballot this year ?

No

(f) Procedure for Postal Ballot:

The procedure for conducting the postal ballot exercise followed by the Company is as per the Companies (Management and Administration) Rules, 2014 read with Section 110 of the Companies Act, 2013 and as mentioned in the Secretarial Standard 2 issued by Institute of Company Secretaries of India.

8. Means of Communication

(a) Quarterly, half yearly and annual financial results are announced as stipulated under Regulation 33 of SEBI (LODR) Regulation 2015.

(b) Newspapers wherein results published:

Business Standard (in English) and Sakal (in Marathi)

(c) Any website, where displayed:

<http://cravatex.com/>

(d) Whether website also displays official news releases: No

(e) Whether presentations made to institutional investors or to the analysts : No

REPORT ON CORPORATE GOVERNANCE
9. General Shareholder Information

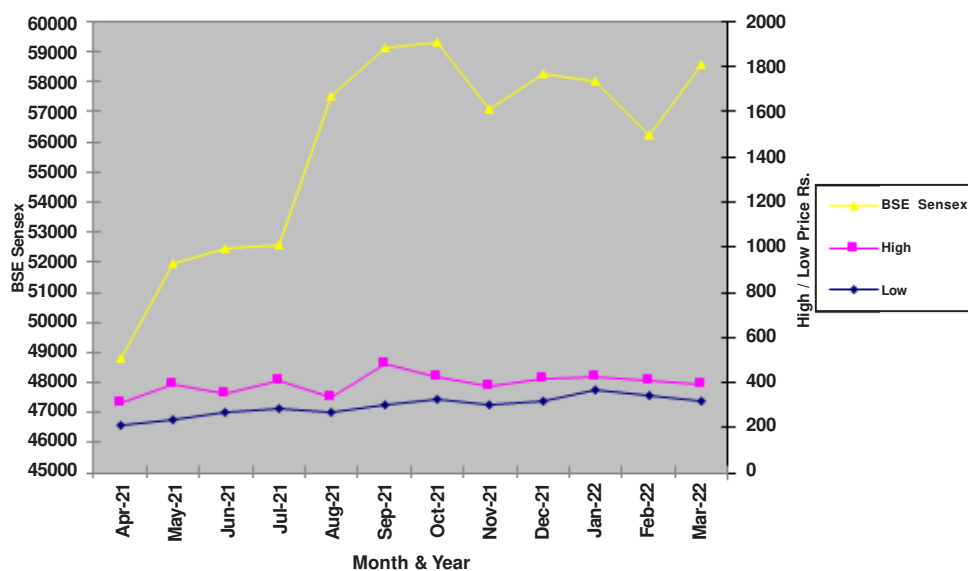
- (a) Annual General Meeting will be held on Tuesday, August 30, 2022 at 3.30 p.m. through VC/OAVM of NSDL.
- (b) Financial Year : April 1 to March 31
 Annual General Meeting 2021-22 : Tuesday, August 30, 2022
 Results for quarter ending June 30, 2022 : Second week of August, 2022
 Results for quarter ending September 30, 2022 : Second week of November, 2022
 Results for quarter ending December 31, 2022 : Second week of February, 2023
 Results for the year ending March 31, 2023 : On or Before May 30, 2023
- (c) Dividend Payment Date : On or before September 28, 2022
- (d) Listing on Stock Exchange : Company's shares are listed on BSE Ltd. located at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
 The Company has paid the listing fees for financial year 2021-22 to BSE on 30/04/2021.
- (e) Stock Code : 509472
 SYMBOL : CRAVATEX
 Demat ISIN : INE145E01017
- (f) Market Price Data : High: Rs.479.00 (17/09/2021)
 (Financial Year 2021 – 22) Low: Rs.211.00 (09/04/2021)

High, Low and Number of Shares Traded during each month in the financial year 2021-22 on BSE Limited:

Month	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr-21	309.00	211.00	14,214	689	35,77,264
May-21	391.00	232.10	23,067	1,064	75,91,528
Jun-21	348.00	272.10	18,682	722	56,89,673
Jul-21	408.95	281.00	25,621	953	85,71,915
Aug-21	337.00	265.05	20,144	858	60,69,983
Sep-21	479.00	302.05	32,566	1,028	1,33,04,509
Oct-21	426.00	327.00	8,565	296	31,36,456
Nov-21	380.00	305.00	10,645	220	37,21,145
Dec-21	419.95	318.25	10,324	238	39,08,136
Jan-22	425.00	367.10	24,529	336	1,00,32,847
Feb-22	407.95	340.05	17,593	154	65,97,246
Mar-22	390.50	321.00	12,664	169	43,98,730

REPORT ON CORPORATE GOVERNANCE

(g) Stock Performance in Comparison to BSE Sensex:



(h) None of the Securities of the Company have been suspended from trading by BSE.

(i) Registrars & Share Transfer Agents:

Link Intime India Private Limited
 C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083
 Tel No. : +91 22 49186000
 Fax No.: +91 22 49186060
 Email Id : rnt.helpdesk@linkintime.co.in
 Website : <https://linkintime.co.in/>

(j) Share Transfer System:

96.21% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. The share transfers received in physical form are processed and share certificates are returned within a period of 15 days from the date of receipt, subject to the transfer instruments being valid and complete in all respects.

REPORT ON CORPORATE GOVERNANCE

(k) Distribution of Shareholding as on March 31, 2022:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 100	1,336	75.27	57,531	2.23
101 to 200	175	9.86	27,927	1.08
201 to 500	137	7.72	44,144	1.71
501 to 1000	63	3.55	50,157	1.94
1001 to 5000	45	2.53	97,890	3.79
5001 to 10000	6	0.34	39,272	1.52
10001 to 100000	12	0.68	3,45,669	13.37
10001 and above	1	0.05	19,21,570	74.36
Total	1,775	100.00	25,84,160	100.00

Shareholding Pattern as on March 31, 2022

Equity Share Capital (Listed on BSE)

Category	Year 2021-22	
	No. of Shares	% To Equity Paid-up Capital
Promoters	19,38,120	75.00
Bodies Corporate	11,680	0.45
Public	5,63,096	21.79
NRI	8,631	0.33
HUF	18,702	0.72
IEPF	43,931	1.70
Total Equity Capital	25,84,160	100.00

4% Non-Convertible Cumulative Redeemable Preference Shares (Unlisted)

Category	Year 2021-22	
	No. of Shares	% To Preference Paid-up Capital
Promoters	75,75,000	100.00
Total Preference Capital	75,75,000	100.00

(l) Dematerialisation of equity shares and liquidity

The Equity Shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Of the Company's total shareholding, (96.21%) equity shares were held in dematerialised mode by the Members of the Company of which 23,09,903 (89.38%) equity shares were under National Securities Depository Limited (NSDL) and balance 1,76,401 (6.83%) equity shares under Central Depository Services (I) Limited (CDSL) as on March 31, 2022.

(m) Outstanding global depository receipts or American depository receipts or warrants or any other convertible instruments, conversion date and likely impact on equity : None

(n) Commodity price risk or foreign exchange risk and hedging activities : None

REPORT ON CORPORATE GOVERNANCE

- (o) Plant Location
None
- (p) Address for Correspondence
Registered Office:
Ground Floor (East Wing)
Forbes Building, Charanjit Rai Marg
Fort, Mumbai - 400 001
Tel. No.: 022-6666 7474
E-mail : investors@cravatex.com
- (q) Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad : None

10. Other Disclosures:

- (a) There are no material related party transactions during the year under review that has conflict with the interests of the Company. The transactions entered into with related parties during the financial year were in ordinary course of business and at arm's length basis and were approved by the Audit Committee.
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None
- (c) The Company has adopted the Whistle Blower Policy and Vigil Mechanism in terms of Regulation 22 of SEBI Listing Regulation. The Company does not deny access to any personnel to approach the audit committee on any issue. The policy has been uploaded on the Company's website.
- (d) The Company has complied with all the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted any of the non-mandatory requirements.
- (e) The policy on dealing with material subsidiaries is available on the website of the Company under section Policies and Procedures at <http://cravatex.com/investor-relations/Policy-on-Material-Subsidiaries.pdf>.
- (f) The policy on dealing with related party transactions is available on the website of the Company under section Policies and Procedures at <http://cravatex.com/investor-relations/RPT-Policy.pdf>.
- (g) Commodity price risks and commodity hedging activities : None
- (h) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 : Not Applicable.
- (i) A certificate has been obtained from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
- (j) The Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year: None

REPORT ON CORPORATE GOVERNANCE

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as follows:

Sr. No.	Name of the Company	Relationship	Name of the Statutory Auditor	Amount Paid
1.	Cravatex Limited	N.A.	GPS & Associates	Rs.6.00 lacs
2.	Cravatex Brands Limited	Subsidiary	B S R & Co. LLP	Rs.31.00 lacs
3.	BB (UK) Limited	Foreign Subsidiary	SRV Delson	GBP 29,125
4.	BB GMBH	Foreign Subsidiary of BB (UK) Limited	Arne Grobmann	Euro 5,050

11. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - (a) number of complaints filed during the financial year : Nil
 - (b) number of complaints disposed of during the financial year : Nil
 - (c) number of complaints pending as on end of the financial year : Nil
12. There were no Loans and Advances made by the Company and its Subsidiaries to Firms/Companies in which Directors are interested
13. Non-compliance of any requirement of corporate governance report of Schedule V, Para C, sub-paras (2) to (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 : None
14. Extent to which discretionary requirements as specified in Part E of Schedule II have been adopted : None
15. The company has complied with corporate governance requirements specified in regulation 17 to 27 and clause b to l of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
16. The Managing Director and Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
17. Demat Suspense Account / Unclaimed Suspense Account : None

For and on behalf of the Board of Directors
For **Cravatex Limited**

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Place : Mumbai
Dated : July 28, 2022
CIN : L93010MH1951PLC008546
Registered Office:
Ground Floor (East Wing)
Forbes Building, Charanjit Rai Marg
Fort, Mumbai - 400 001
Tel No.: +91 22 66667474
Email: investors@cravatex.com
Website: http://cravatex.com

REPORT ON CORPORATE GOVERNANCE

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

This is to confirm that as provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, all Board of Directors and Senior Management of the Company have affirmed Compliance with the Code of Conduct for the Financial Year ended March 31, 2022.

For Cravatex Limited,

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Place : Mumbai

Dated : July 28, 2022

CIN : L93010MH1951PLC008546

Registered Office:

Ground Floor (East Wing)

Forbes Building, Charanjit Rai Marg

Fort, Mumbai - 400 001

Tel No.: +91 22 66667474

Email: investors@cravatex.com

Website: <http://cravatex.com>

REPORT ON CORPORATE GOVERNANCE**CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF CRAVATEX LIMITED**

I have examined the compliance of the conditions of Corporate Governance by **Cravatex Limited** ('the Company') for the year ended on March 31, 2022, as stipulated under Regulation 17 to Regulation 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance to the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For Hemanshu Kapadia & Associates
Practising Company Secretaries

Hemanshu Kapadia
Proprietor

C.P. No. 2285

Membership No.: F3477

UDIN: F003477D000699887

Place : Mumbai
Dated : July 28, 2022

REPORT ON CORPORATE GOVERNANCE

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 Cravatex Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Cravatex Limited** having CIN: L93010MH1951PLC008546 and having registered office at Ground Floor (East Wing), Forbes Building Charanjit Rai Marg, Fort, Mumbai - 400001 (hereinafter referred to as 'the Company'), produced before me 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 opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Mumbai or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Rajesh Kumar Batra	00020764	30/11/1981
2.	Santhanam Narayanaswamy	00027724	10/02/2012
3.	Shivkumar Dhalumal Israni	00125532	31/10/2003
4.	Pheroza Jimmy Bilimoria	00191386	16/09/2014
5.	Rohan Kumar Batra	02574195	01/04/2020
6.	Divakar Ganapati Kamath	08730430	01/04/2020

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

For Hemanshu Kapadia & Associates
Practising Company Secretaries

Hemanshu Kapadia
Proprietor

C.P. No. 2285

Membership No.: F3477

UDIN: F003477D000699898

Place : Mumbai
Dated : July 28, 2022

AUDITORS' REPORT**INDEPENDENT AUDITOR'S REPORT****To the Members of Cravatex Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Cravatex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income/expense, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone 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 Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

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

In preparing the standalone financial statements, management 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

AUDITORS' REPORT

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 standalone 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.

AUDITORS' REPORT

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid standalone 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 the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 35 to the standalone financial statements
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) There was no interim dividend declared by the Company during the year.
 - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

AUDITORS' REPORT

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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **GPS & Associates**
Chartered Accountants
Firm Registration No. 121344W

H. Y. Gurjar
Partner
Membership No. 032485
UDIN: 22032485AJXMRZ8521

Place : Mumbai
Dated : May 30, 2022

AUDITORS' REPORT

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of CRAVATEX LIMITED of even date)

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, included obtaining an understanding of internal financial controls over financial reporting, assessing 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 standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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.

AUDITORS' REPORT

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 **GPS & Associates**
Chartered Accountants
Firm Registration No. 121344W

H. Y. Gurjar
Partner
Membership No. 032485
UDIN: 22032485AJXMRZ8521

Place : Mumbai
Dated : May 30, 2022

AUDITORS' REPORT

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Cravatex Limited of even date)

- (i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) According to the information and explanations given to us, the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancies noticed on verification between the physical stock and the inventory records have been appropriately accounted for in the books of account of the company.
- (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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public and therefore the provisions of the Clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as on 31st March, 2022 for a period of more than six months from the date they became payable.
 - (b) According to the records of the Company, there are no dues of income-tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) As per information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing from banks.

AUDITORS' REPORT

- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans taken during the year were applied for the purpose for which they were raised.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filled in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per information and explanations given to us, the Company has not received any whistle blower complaints during the year (and upto the date of this report). Hence, reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) As per information and explanations given to us the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As explained to us, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 as this is not applicable to the Company. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

AUDITORS' REPORT

- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **GPS & Associates**
Chartered Accountants
Firm Registration No. 121344W

H. Y. Gurjar
Partner
Membership No. 032485
UDIN: 22032485AJXMRZ8521

Place : Mumbai
Dated : May 30, 2022

BALANCE SHEET

BALANCE SHEET AS AT 31 MARCH, 2022

Particulars	Note No.	As at March 31, 2022 Rs. in Lacs	As at March 31, 2021 Rs. in Lacs
(A) ASSETS			
(1) Non-Current assets			
(a) Property, Plant and Equipment	3(a)	33.10	41.43
(b) Investment Property	3(b)	607.95	624.34
(c) Right of use asset	41	87.14	112.70
(d) Other Intangible Assets	3(c)	44.99	62.75
(e) Financial Assets			
(i) Investments	4	4,312.83	3,312.85
(ii) Loans	5	130.89	30.50
(f) Other Non-Current Assets	6	13.50	13.50
Total Non-Current Assets		5,230.40	4,198.07
(2) Current Assets			
(a) Inventories	7	—	1.25
(b) Financial Assets			
(i) Investments	8	—	722.51
(ii) Trade receivables	9	0.54	15.28
(iii) Cash and cash equivalents	10	88.81	51.69
(iv) Bank balances other than (iii) above	11	3.79	5.20
(v) Others	12	7.17	12.92
(c) Current Tax Assets (Net)	13	41.72	60.57
(d) Other current assets	14	12.80	13.35
Total Current Assets		154.83	882.77
Total Assets		5,385.23	5,080.84
(B) EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share capital	15	258.42	258.42
(b) Other Equity	16	3,958.60	3,598.06
Total Equity		4,217.02	3,856.48
(2) LIABILITIES			
(I) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	402.24	398.83
(ii) Others	18	100.27	215.48
(b) Deferred tax liabilities (Net)	19	37.81	45.54
(c) Other Non-Current Liabilities	20	285.94	325.22
(d) Provisions	21	8.57	5.11
Total Non-Current Liabilities		834.83	990.18
(II) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Due of Micro and small enterprises		—	—
(b) Due of creditors other than micro and small enterprises	22	11.21	9.34
(ii) Others	23	291.40	196.55
(b) Other Current Liabilities	24	30.17	27.92
(c) Provisions	25	0.61	0.37
Total Current Liabilities		333.39	234.18
Total Equity and Liabilities		5,385.23	5,080.84
Corporate Information	1		
Significant accounting policies	2		
Notes forming part of the Financial Statements	33-47		

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

N. Santhanam
Independent Director
DIN: 00027724

H.Y. Gurjar
Partner
Membership No. 032485

Divakar Kamath
Executive Director & CFO
DIN: 08730430

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

Place : Mumbai
Dated : May 30, 2022

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

Particulars	Note No.	For the Year 2021-2022 Rs. in Lacs	For the Year 2020-2021 Rs. in Lacs
INCOME			
Revenue from operations	26	244.35	230.76
Other Income	27	876.25	1,002.39
TOTAL INCOME		1,120.60	1,233.15
EXPENSES			
Purchase of Stock-in-Trade		232.61	219.73
Change in Inventories	28	1.25	0.01
Employee benefits expense	29	122.37	94.48
Finance costs	30	72.12	65.34
Depreciation	3 & 41	69.72	73.59
Other expenses	31	112.42	161.37
TOTAL EXPENSES		610.49	614.52
Profit / (Loss) before exceptional items		510.11	618.63
Exceptional items		—	—
Profit / (Loss) before tax		510.11	618.63
Tax expense :			
Current Tax	34	(79.01)	(81.50)
Deferred tax	34	7.73	39.50
Taxes of Earlier years	34	—	—
Profit / (Loss) for the period		438.83	576.63
Other Comprehensive Income/(loss) for the period :			
Items that will not be reclassified to profit or loss			
— Re-measurements of the defined benefit plans		(0.77)	(1.96)
Total Comprehensive Income/(loss) for the period		438.06	574.67
Basic and Diluted Earnings per Equity share (In Rs)	32	16.98	22.31
Corporate Information	1		
Significant accounting policies	2		
Notes forming part of the Financial Statements	33-47		

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

 For **GPS & ASSOCIATES**
 Chartered Accountants
 Firm Registration No. 121344W

H.Y. Gurjar
 Partner
 Membership No. 032485

 Place : Mumbai
 Dated : May 30, 2022

Rajesh Batra
 Chairman & Managing Director
 DIN: 00020764

Divakar Kamath
 Executive Director & CFO
 DIN: 08730430

N. Santhanam
 Independent Director
 DIN: 00027724

Sudhanshu Namdeo
 Company Secretary
 Membership No.: A17132

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2022

(A) EQUITY SHARE CAPITAL

Particulars	31 March 2022		31 March 2021	
	Number of Shares	Amount Rs. in Lacs	Number of Shares	Amount Rs. in Lacs
At the commencement of the year	25.84	258.42	25.84	258.42
Add: Shares issued during the year	—	—	—	—
At the end of the year	25.84	258.42	25.84	258.42

(B) OTHER EQUITY

Particulars	Reserves and surplus					Total attributable to equity shareholders
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Export Profit Reserve	
(a) Balance at 31 March 2020	518.97	2,367.16	18.92	142.50	1.68	3,049.23
Profit for the year	576.63	—	—	—	—	576.63
Other comprehensive income for the year	(1.96)	—	—	—	—	(1.96)
Equity Dividend Paid during the year	—	(25.84)	—	—	—	(25.84)
(b) Total comprehensive income for the year	574.67	(25.84)	—	—	—	548.83
(c) Balance at 31 March 2021 (a) + (b)	1,093.64	2,341.32	18.92	142.50	1.68	3,598.06
Profit for the year	438.83	—	—	—	—	438.83
Other comprehensive income for the year	(0.77)	—	—	—	—	(0.77)
Equity Dividend Paid during the year	—	(77.52)	—	—	—	(77.52)
(d) Total comprehensive income for the year	438.06	(77.52)	—	—	—	360.54
(e) Balance at 31 March 2022 (c) + (d)	1,531.70	2,263.80	18.92	142.50	1.68	3,958.60

As per our report of even date

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

H.Y. Gurjar
Partner
Membership No. 032485

Place : Mumbai
Dated : May 30, 2022

For and on behalf of the Board of CRAVATEX LTD.

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

PARTICULARS	For the year ended 31st March 2022 Rs. in Lacs	For the year ended 31st March 2021 Rs. in Lacs
A Cash flow from operating activities		
Net profit before tax	510.11	618.63
Adjustments for:		
Depreciation	69.72	73.59
Interest income	(3.10)	(4.26)
Rent Income	(336.54)	(332.12)
Gain on Investments	(4.20)	—
Loss on debts measured at fair value	72.12	65.27
Fixed assets written off	—	33.85
Loss on sale of Property, Plant and Equipment	—	10.89
Balances Written off/(Written Back)	—	(11.00)
Dividend Income	(460.45)	(540.81)
Investment measured at fair value	—	(9.02)
Finance Cost	—	0.07
Operating profit before working capital changes	(152.34)	(94.90)
Adjustments for:		
(Increase)/Decrease in Trade Receivables	14.74	47.57
(Increase)/Decrease in Inventories	1.25	0.02
(Increase)/Decrease in Loans & Advances	(100.39)	(22.34)
(Increase)/Decrease in Other Assets	6.32	(9.56)
Increase/(Decrease) in Trade Payable	1.87	(60.25)
Increase/(Decrease) in Other Liabilities	(37.03)	4.44
Increase/(Decrease) in Provisions	2.93	0.09
Cash generated from operations	(262.66)	(134.93)
Direct taxes Refund/(paid)	(60.17)	(67.15)
Net cash from operating activities	(322.83)	(202.08)
B Cash flow from investing activities		
Additions to Fixed assets	(1.69)	(4.42)
Purchase of Investments (Net of Sale)	(277.47)	(524.93)
Sale of Fixed assets	—	4.25
Gain on Investments	4.20	9.02
Other Bank Balances	1.41	1.70
Dividend Income	460.45	540.81
Rent Income	336.54	332.12
Interest received	3.10	4.26
Net cash from / (used in) investing activities	526.55	362.81
C Cash flow from financing activities		
Repayment from Long-term Borrowings	(89.07)	(86.88)
Repayment of Short-term Borrowings	—	(9.92)
Interest Paid	—	(0.07)
Dividend Paid	(77.52)	(25.84)
Net cash from / (used in) financing activities	(166.59)	(122.71)
D Net cash flows during the year (A+B+C)	37.12	38.02
Cash and cash equivalents (opening balance)	51.69	13.67
Cash and cash equivalents (closing balance) (Refer Note-10)	88.81	51.69

Notes:

1. The above cashflow statement has been prepared under 'indirect Method' as set out in in the Indian Accounting standard-7 on Statement on Cash Flows.

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

H.Y. Gurjar
Partner
Membership No. 032485

Place : Mumbai
Dated : May 30, 2022

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 — CORPORATE INFORMATION

Cravatex Limited (“the Company”) was incorporated on 22nd June, 1951 under the Companies Act, 1913 (“the Act”) domiciled in India and headquartered in Mumbai. Cravatex Limited is the Holding Company of two subsidiaries viz. BB (UK) London (BBUK) and Cravatex Brands Ltd Mumbai (CBL). The Company along with its subsidiaries is engaged in the business of Branded sports goods, wellness and fitness equipment with servicing.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of Compliance:

These Ind AS financial statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (herein referred to as ‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 (the Act) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

b) Basis of preparation and presentation:

Statement of compliance with Ind AS:

These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value and the provisions of the Companies Act, 2013 (‘Act’). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Historic cost convention:

The financial statements have been prepared on historic cost basis except for certain financial liabilities that are measured at fair value.

Functional and Presentation Currency:

The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company. All amounts have been rounded off to the nearest lacs. Amount below the rounded off norms have been reflected as “0” in the relevant notes.

Classification of Assets and Liabilities into Current/Non-Current:

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i. It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- ii. It is held primarily for the purpose of trading; or
- iii. It is expected to realise the asset within twelve months after the reporting period; or
- iv. The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i. It is expected to be settled in the normal operating cycle; or
- ii. It is held primarily for the purpose of trading; or
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c) Property, Plant and Equipment (PPE):

The initial cost of PPE comprises of its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to PPE are capitalised only when it is probable that future economic associated with these will flow to the Company and cost of the item can be measured reliably. Repairs and maintenance cost are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 - Property, Plant and Equipment.

d) Investment Property:

Investment properties are properties (land or a building-or part of a building-or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property is included in the statement of profit and loss in the period in which the property is derecognised.

e) Depreciation:

The depreciable amount of an item of PPE is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method over the useful lives as prescribed under Schedule II of the Act as per technical assessment. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. The residual values, useful lives and method of depreciation are reviewed at least at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions/ (disposals) are provided on a pro-rata basis i.e. from/ (up to) the date on which the asset is ready to use/ (disposed off).

f) Intangible Assets and Amortization:

Intangible assets with finite useful life that are acquired separately are stated at acquisition cost less accumulated amortization and impairment losses, if any. The Company determines the useful life as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortization method is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

g) Impairment of Non-Financial Assets:

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

h) Inventories:

Inventories comprise of stock-in-trade which are carried at the lower of cost and net realisable value. Cost is determined on moving weighted average basis.

Cost of stock-in-trade comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

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

i) Borrowing Costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

j) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognised.

k) Revenue Recognition:

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

- a. Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.
- b. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
- c. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
- d. Interest income is recognised using the effective interest rate (EIR) method.

l) Lease:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Operating Lease:

Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

m) Employee Benefit Expense:

i) Short-term Employee Benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

ii) Post-employment benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income.

iii) Other Long-term employee benefits - Compensated Absences:

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

n) Income Taxes:

Income tax comprises of current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in Equity or in Other Comprehensive Income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Current tax

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- i. temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- ii. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Foreign Currency Transactions:

Foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the Balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-Monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate as at the date of initial transactions.

p) Earnings Per Share:

The Company calculates earnings per share amounts for profit or loss attributable to ordinary equity shareholders.

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Financial Instruments:

i) Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and Subsequent Measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt investment;
- Fair Value through Other Comprehensive Income - equity investment; or
- FVTPL

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: subsequent measurement and gains and losses -

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at 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 recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii) De-recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Off setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Equity Instrument

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

r) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

s) Segment Reporting - Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's management to make decisions for which discrete financial information is available.

Based on the management approach as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

NOTE 3(a) Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended on March,31 2022.

(Rs. in Lacs)

Description	Spa / Fitness Equipment	Air-conditioning Plant & Units	Furniture, Fixtures & Fittings	Motor Vehicles	Electrical Fittings	Office Equipment	Leasehold Improvement	Total
Gross carrying value (at deemed cost)								
Balance as at 31 March 2020	36.74	76.03	180.22	12.46	58.89	10.40	40.14	414.88
Additions	—	—	—	—	0.80	—	3.62	4.42
Deletions / discarded / adjustments	36.74	63.82	113.07	—	47.58	4.68	23.46	289.35
Balance as at 31 March 2021	—	12.21	67.15	12.46	12.11	5.72	20.30	129.95
Additions	—	—	—	—	—	1.69	—	1.69
Deletions / discarded / adjustments	—	—	—	—	—	—	—	—
Balance as at 31 March 2022	—	12.21	67.15	12.46	12.11	7.41	20.30	131.64
Accumulated depreciation								
Balance as at 31 March 2020	34.90	56.41	113.71	11.84	38.25	9.88	39.56	304.55
Charge for the year	—	3.81	15.42	—	3.96	0.20	0.93	24.32
Deletions/Adjustments	34.90	53.42	88.96	—	35.15	4.45	23.46	240.34
Balance as at 31 March 2021	—	6.80	40.17	11.84	7.06	5.63	17.02	88.52
Charge for the year	—	1.34	6.52	—	1.15	0.31	0.69	10.01
Deletions/Adjustments	—	—	—	—	—	—	—	—
Balance as at 31 March 2022	—	8.14	46.69	11.84	8.21	5.94	17.71	98.53
Net carrying amount								
As at 31 March 2021	—	5.41	26.98	0.61	5.05	0.09	3.28	41.43
As at 31 March 2022	—	4.07	20.46	0.61	3.90	1.47	2.59	33.10

Notes:

The Company has not revalued any of its property, plant and equipment.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTES — Contd.
NOTE 3(b) Investment Property

Following are the changes in the carrying value of Investment Property for the year ended on March,31 2022.

(Rs. in Lacs)

Description	Building	Total
Gross carrying value (at deemed cost)		
Balance as at 31 March 2020	1,019.19	1,019.19
Additions	—	—
Deletions / discarded / adjustments	—	—
Balance as at 31 March 2021	1,019.19	1,019.19
Additions	—	—
Deletions / discarded / adjustments	—	—
Balance as at 31 March 2022	1,019.19	1,019.19
Accumulated depreciation		
Balance as at 31 March 2020	378.46	378.46
Charge for the year	16.39	16.39
Deletions/Adjustments	—	—
Balance as at 31 March 2021	394.85	394.85
Charge for the year	16.39	16.39
Deletions/Adjustments	—	—
Balance as at 31 March 2022	411.24	411.24
Net carrying amount		
As at 31 March 2021 (Fair Market Value Rs.6,159.59 Lacs)	624.34	624.34
As at 31 March 2022 (Fair Market Value Rs.6,159.59 Lacs)	607.95	607.95

The fair value of investment property has been determined having reference to the market values as prescribed under the ready reckoner published by a competent authority, as the company believes that the current market price of similar properties in the vicinity is the best evidence of the fair value of such investment property.

Note: Amounts recognised in profit and loss in respect of investment property

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Rent Income	336.54	332.12
Less: Depreciation	(16.39)	(16.39)
Less: Society charges & Others	(15.78)	(22.37)
Profit	304.38	293.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

NOTE 3(c) Other Intangible assets

Following are the changes in the carrying value of Intangible Assets for the year ended on March,31 2022.

(Rs. in Lacs)

Description	Software	Total
Gross carrying value (at deemed cost)		
Balance as at 31 March 2020	186.85	186.85
Additions	—	—
Deletions / discarded / adjustments	—	—
Balance as at 31 March 2021	186.85	186.85
Additions	—	—
Deletions / discarded / adjustments	—	—
Balance as at 31 March 2022	186.85	186.85
Accumulated depreciation		
Balance as at 31 March 2020	106.32	106.32
Charge for the year	17.78	17.78
Deletions/Adjustments	—	—
Balance as at 31 March 2021	124.10	124.10
Charge for the year	17.75	17.75
Deletions/Adjustments	—	—
Balance as at 31 March 2022	141.85	141.85
Net carrying amount		
As at 31 March 2021	62.75	62.75
As at 31 March 2022	44.99	45.00

NOTE 3(d) Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There were no projects under progress therefore reporting under this heading is not applicable to the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 4 — NON CURRENT FINANCIAL INVESTMENTS		
In Equity instruments Of Subsidiary Companies (At Cost)		
Unquoted		
50000 ordinary shares of £ 1 each of BB(UK) Ltd	41.85	41.85
32,71,000 Equity shares of Rs. 100 each of Cravatex Brands Ltd	3,271.00	3,271.00
5,92,618 0.001% Compulsory Convertible Preference Shares of Rs. 100 each at premium of Rs.68.74 Each of Cravatex Brands Ltd	999.98	—
Total	4,312.83	3,312.85
The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.		
NOTE 5 — NON-CURRENT FINANCIAL LOANS		
(Unsecured, considered good)		
Security Deposites & Others	130.89	30.50
Total	130.89	30.50
NOTE 6 — OTHER NON-CURRENT ASSETS		
(Unsecured, Considered Good)		
Advance with Customs authorities [Refer Note No 32(6)]	13.50	13.50
Total	13.50	13.50
NOTE 7 — INVENTORIES		
Stock-in-Trade	—	1.25
(At lower of cost and net realisable value)		
Total	—	1.25
NOTE 8 — CURRENT FINANCIAL INVESTMENTS		
Investment measured at fair value through profit and loss		
Investment in Mutual Fund	—	722.51
Total	—	722.51
<i>Aggregate book value of unquoted investments</i>	<i>—</i>	<i>713.39</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 9 — TRADE RECEIVABLES		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	—	—
Other Trade Receivables	0.54	15.28
Total	0.54	15.28
(i) Undisputed Trade receivables – considered good		
Less than 6 months	0.54	0.55
6 months to 1 year	—	14.55
1-2 years	—	0.18
2-3 years	—	—
More than 3 years	—	—
Total	0.54	15.28
NOTE 10 — CASH AND CASH EQUIVALENTS		
(a) Balances with banks in:		
Current accounts	88.80	36.27
FD Having Maturity Less than 365 days	—	15.40
(b) Cash on hand	0.01	0.02
Total	88.81	51.69
NOTE 11 — OTHER BANK BALANCES		
Unpaid dividend accounts	3.79	5.20
Total	3.79	5.20
NOTE 12 — OTHER CURRENT FINANCIAL ASSETS		
(Unsecured, considered good)		
Other Loans & Advances	—	—
Due from Subsidiary Company	7.17	12.92
Total	7.17	12.92
NOTE 13 — CURRENT TAX ASSETS		
Taxes Paid Net of Provisions	41.72	60.57
Total	41.72	60.57
NOTE 14 — OTHER CURRENT ASSETS		
Prepaid expenses	12.80	13.35
Total	12.80	13.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTES — Contd.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 15 — EQUITY		
Authorised:		
48,50,000 (2019 — 48,50,000) Equity shares of Rs.10 each	485.00	485.00
1,01,50,000 (2019 — 1,01,50,000) Preference Shares of Rs. 10 each	1,015.00	1,015.00
Total	1,500.00	1,500.00
Issued, Subscribed and fully paid up:		
25,84,160 (2019 — 25,84,160) Equity shares of Rs.10 each	258.42	258.42
Total	258.42	258.42

Notes:
1) Reconciliation of Number of Shares:

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	Amount Rs. in Lacs	Number of Shares	Amount Rs. in Lacs
Equity Shares of Rs.10 each				
Shares outstanding at the beginning of the year	2,584,160	258.42	2,584,160	258.42
Shares Issued during the year	—	—	—	—
Shares outstanding at the end of the year	2,584,160	258.42	2,584,160	258.42

2) The details of the Shareholders holding more than 5%

Name of the Shareholders	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
1) R. B. Fitness & Trading Pvt. Ltd.		
No. of Shares held	1,921,570	1,921,570
% Held	74.36%	74.36%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

3) The details of promoters shareholdings

Shares held by promoters at the end of the Year	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	% of total shares	Number of Shares	% of total shares
Promoter's name				
Mr. Rajesh Batra	30	0.01	30	0.01
Mr. Rajesh Batra (c/o Batra Family Trust)	20	0	20	0
Mr. Rajesh Batra (c/o Big Time Exports)	10	0	10	0
Mr. Rajesh Batra (c/o G Hira & Co.)	10	0	10	0
M/s. R.B. Fitness and Trading Private Limited	1,921,570	74.36	1,921,570	74.36
M/s. Proline Exports Private Limited	10	0	10	0
Mr. Rajiv Batra	20	0	20	0
Mrs. Prathima Batra	16,400	0.63	16,400	0.63
Mrs. Sujaya Batra	20	0	20	0
Mrs. Divya Batra	20	0	20	0
Mr. Rohan Batra	10	0	10	0
Total	1,938,120	75	1,938,120	75

Terms/rights attached to the Equity Shares

The Company has only one class of equity shares having at par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 16 — OTHER EQUITY		
Capital Reserve	18.92	18.92
Export Profit Reserve	1.68	1.68
Capital Redemption Reserve	142.50	142.50
General Reserve	2,263.80	2,341.32
Retained Earnings	1,531.70	1,093.64
Total	3,958.60	3,598.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Description of nature and purpose of each reserve

Capital Reserve

Capital reserve represents amount received from Government of Karnataka.

Export Profit Reserve

Export profit reserve represents the amount earned from export sales and is to be utilised for the purpose of exports.

Capital Redemption Reserve

Capital Redemption Reserve has been created out of free reserves of the Company on account of redemption of preference shares.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 17 — NON CURRENT FINANCIAL BORROWINGS		
(a) Unsecured		
75,75,000 (2021 — 85,17,500), 4 % Non-convertible Cumulative Redeemable Preference shares of Rs.10 each	402.24	398.83
Total	<u>402.24</u>	<u>398.83</u>

NOTE:**Terms/rights attached to the 4% Non-convertible Cumulative Redeemable Preference shares of Rs.10 each**

The Company has issued 4% Non-convertible redeemable preference share having a face value of Rs.10/- per each redeemable after a period of 20 years. Preference shareholders shall rank for dividend in priority to the equity shares. The Preference shareholder shall be eligible for 4% fixed cumulative preferential dividend.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 18 — OTHER NON-CURRENT FINANCIAL LIABILITIES		
Lease liability (Refer Note 41)	72.23	93.86
Security Deposit Received	28.04	121.62
Total	<u>100.27</u>	<u>121.62</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
NOTE 19 — DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Deferred tax liabilities	37.81	45.54
Total	37.81	45.54
NOTE 20 — OTHER NON-CURRENT LIABILITIES		
Deferred Income	285.94	325.22
Total	285.94	325.22
NOTE 21 — NON-CURRENT PROVISIONS		
Provision for employee benefits:		
Compensated absences	8.57	5.11
Total	8.57	5.11
NOTE 22 — TRADE PAYABLES		
Due to Micro and small enterprises	—	—
Due of creditors other than micro and small enterprises	11.21	9.34
Total	11.21	9.34

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2022, and no interest payment made during the year to any Micro and Small Enterprises. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Outstanding for following periods from due date of payment:		
(i) MSME	—	—
(ii) Others:		
Less than 1 year	2.85	0.98
1-2 years	8.36	8.36
2-3 years	—	—
More than 3 years	—	—
Total	11.21	9.34
NOTE 23 — OTHER CURRENT FINANCIAL LIABILITIES		
Security Deposits Received	217.11	104.36
Lease Liability	21.62	19.34
Interest Accrued but not due	37.88	30.30
Unpaid Dividend	3.79	5.20
Others	11.00	37.35
Total	291.40	196.55
NOTE 24 — OTHER CURRENT LIABILITIES		
Other Liabilities (including Statutory dues)	4.48	4.27
Deferred Lease Income	19.29	19.45
Gratuity Obligation (Net)	6.40	4.20
Total	30.17	27.92
NOTE 25 — CURRENT PROVISIONS		
Provision for employee benefits:		
Compensated absences	0.61	0.37
Total	0.61	0.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	2021-2022 Rs. in Lacs	2020-2021 Rs. in Lacs
NOTE 26 — REVENUE FROM OPERATIONS		
Sale of products	244.35	230.76
Total	244.35	230.76
NOTE 27 — OTHER INCOME		
Interest Income		
Bank & Other Interest	3.10	4.26
Financial Instruments carried at amortised cost	43.96	56.30
Dividend Income	460.45	540.81
License fees	336.54	332.12
Miscellaneous income	28.00	68.89
Gain on Sale of Investments	4.20	—
Total	876.25	1,002.39
NOTE 28 — CHANGE IN INVENTORIES OF STOCK-IN-TRADE		
Opening stock		
Stock-in-trade	1.25	1.26
	1.25	1.26
Closing stock		
Stock-in-trade	—	1.25
	—	1.25
(Increase)/Decrease in stock	1.25	0.01
NOTE 29 — EMPLOYEE BENEFITS EXPENSES		
Salaries and wages (including bonus and gratuity)	114.84	88.29
Contributions to:		
Provident and other Funds	6.09	5.24
Staff welfare expenses	1.44	0.95
Total	122.37	94.48
NOTE 30 — FINANCE COSTS		
Interest expense	—	0.74
Other borrowing costs	72.12	64.60
Total	72.12	65.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTES — Contd.

Particulars	2021-2022 Rs. in Lacs	2020-2021 Rs. in Lacs
NOTE 31 — OTHER EXPENSES		
Insurance	1.91	1.91
Rates and taxes	4.14	30.87
Printing and stationery	0.97	1.69
Communications	0.65	0.32
Repairs & Maintenance	28.96	29.27
Advertisement and publicity	1.50	1.95
Travelling and conveyance	1.99	1.47
Commission and brokerage	—	2.58
Professional, Legal and Consultancy charges	33.38	21.07
Directors fees	13.00	11.00
Auditors' remuneration	6.00	6.00
Bank Charges not related to borrowings	1.43	1.13
Loss on sale of asset	—	10.89
CSR Expenditure	10.20	—
Other expenses	8.30	41.20
Total	112.43	161.37
	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
PAYMENT TO AUDITORS		
Statutory Audit fees	4.00	4.00
Others	2.00	2.00
Total	6.00	6.00

NOTE 32 — CONTINGENT LIABILITIES (to the extent not provided for)
A. Contingent Liabilities
Other money for which the Company is contingently liable

	Reference No.	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
1) Demands under Wealth Tax Act	1	51.25	51.25
2) Demands under Income Tax Act	2 & 3	25.17	25.17
3) Demands under VAT/CST Act	4 & 5	—	202.73
4) Demands under Customs Act	6 & 7	133.50	133.50
Total		209.92	412.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Notes:

1. Demands for Wealth Tax for the assessment years 1997-98 & 1998-99 amounting to Rs.51,25,378 was raised by the Tax authorities in earlier years which had been disputed by the Company and appeals filed with the Hon. High Court, Mumbai. The Company however deposited the demanded amounts in full with the tax authorities.
2. For the assessment years 2000-2001, 2002-2003 and 2003-2004 the Income-tax Appellate Tribunal had given relief of Rs.8,74,254 which had been accounted for in an earlier year. The tax authorities had subsequently filed an appeal with the Hon. High Court, Mumbai against the relief of Rs.8,74,254. The matter was set aside by Hon. High Court, in an earlier year and the matter was restored to the Tribunal for disposal. The matter is still pending with the tax authorities.
3. The tax authorities had raised a demand for the assessment year 2013-14 u/s 143 (3) for Rs.16,43,120. The company has disputed this demand and has filed an appeal with the Commissioner (Appeals) of Income- tax Mumbai against this demand.
4. VAT assessment order of Karnatak state for FY 2015-16 was passed raising demand totalling to Rs.15,35,487/- (Tax-Rs.7,59,150/-, Interest-Rs.7,00,422/-, Penalty Rs.75,915/-).The Company has filed an appeal against this order and paid full amount of Rs.15,35,487/-. Appeal is decided in favour of the company & amount paid of Rs.15,35,487/- has been refunded during the current financial year.
5. CST assessment order of Delhi location of the company for FY 2016-17 was passed raising demand totalling to Rs.1,87,36,493/- (Tax-Rs.1,13,64,635/-, Interest-Rs.73,71,858/-).The Company had filed an appeal against this order and decided in favour of the company during the current financial year.
6. Demand of Rs.13,50,000 raised in an earlier year by the customs authorities for goods imported had been disputed by the Company against which the full amount had been deposited under protest. The matter is still pending with the Customs authorities.
7. Bond for Rs.1.20 crore executed with the Customs authorities for demand raised by the authorities in an earlier year which had been disputed and challenged by the Company. This Bond is to remain in force till finalisation of the value by the Customs authorities of the goods imported by the Company.
8. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/self, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

B. Guarantees/Commitments

1. Guarantees given by the Company in respect of loans obtained by its subsidiary company "Cravatex Brands Limited" and outstanding as on March 31, 2022 – Rs. 7583 Lakhs. The said guarantee has been given by way of creating a mortgage charge on the investment properties held by the company.

Particulars**2021-2022
Rs. in Lacs**2020-2021
Rs. in Lacs**NOTE 33 — EARNING PER SHARE**

(Disclosure Pursuant to Ind AS-33)

Net Profit/(Loss) as per Profit and Loss Account	438.83	576.63
Weighted Average Number of Equity Shares	2,584,160	2,584,160
Basic/ Diluted Earning per shares	16.98	22.31
Nominal Value per Share (Rs.)	10.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTES — Contd.

Particulars	FY 2021-2022 Rs. in Lacs	FY 2020-2021 Rs. in Lacs
NOTE 34 — INCOME TAXES		
(A) Tax expense recognised in profit and loss		
Current tax		
Current tax	79.01	81.50
Deferred Tax (net)		
Deferred tax (credit) / charge	(7.73)	(39.50)
Tax expense for the year	71.28	42.00
(B) Reconciliation of Effective Tax Rate:		
Profit before tax	510.11	618.63
Applicable Tax Rate	25.17%	25.17%
Income tax expense calculated at above rate	128.40	155.71
Adjustment for income taxable at lower rates	(36.89)	(53.00)
Tax Loss for which no deferred income tax was recognised	(7.73)	(39.50)
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income	(12.50)	(21.21)
Income tax expense recognised in profit and loss	71.28	42.00

(C) Deferred tax assets / liabilities (net):

Particulars	As at 31st March 2021	Recognised in Statement of Profit & Loss Account	Recognised in OCI	(Rs. in Lacs)
				As at 31st March 2022
Others	45.54	7.73	—	37.81
Deferred tax liabilities	45.54	7.73	—	37.81

(D) Impact of IND AS adjustments on Tax computation:

- Section 5 of the Income Tax Act states that profits are chargeable only when they accrue, arise or are received. Based on this provision of the Income Tax Act, it is a settled proposition that tax can be levied on real income and not any hypothetical or illusory income – **Shoorji vallabhdas & Co – (1962) 46 ITR 144 (SC) and Godhra Electricity Co. Ltd. - (1997) 225 ITR 746 (SC)**. These principles have been reiterated in ICDS-IV for revenue recognition under the Income Tax Act.
- The Supreme Court in **Indorama Synthetics India Ltd. – 330 ITR 263** held that the objective of the provisions of Minimum Alternate Tax (MAT) is to bring out real profits of the company, wherein, the thrust was to find out real working results of the company. Based on this decision, several ITATs have held that what is not income which is chargeable to tax also cannot be included for the purposes of book profit or computing of book profit u/s.115JB.
- Under IND-AS accounting framework, there are certain mandatory adjustments to incomes and expenditures, which are only conceptual and do not reflect real income/expenditure as per prevailing provisions of the Income Tax Act.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

(Rs. in Lacs)

Particulars	Debit	Credit
Fair Valuation of Preference Shares	41.28	—
Amortisation of Notional Income on Security Deposits Taken	—	19.43
Amortisation of Security Deposits Given	19.19	—
Fair Valuation of Preference Shares	—	20.00
Notional Income on Security Deposite Taken	—	0.72
Amortisationof lease liabilities for Security Deposite Taken	11.65	—
Total	72.12	40.15
Net Impact in statement of profit & Loss	31.97	—

(E) Others:

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transactions which are not recorded in the books of accounts.

NOTE 35 — EMPLOYEE BENEFITS**a. Defined Benefit Plans:****Gratuity:**

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity.

Inherent Risk on above:

The plan is defined in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Particulars	As at 31st March 2022 Gratuity Rs. in Lacs	As at 31st March 2021 Gratuity Rs. in Lacs
(i) Change in Defined Benefit Obligation		
Balance at the beginning of the year	39.65	38.85
Adjustment of:		
Current Service Cost	2.70	3.15
Liability transferred out/ Divestments	—	—
Past Service cost	—	—
Interest Cost	2.51	2.50
Actuarial (gains)/losses recognised in Other Comprehensive Income:		
— Change in Financial Assumptions	(1.22)	0.16
— Change in Demographic Assumptions	(0.03)	—
— Experience Changes	0.55	(2.17)
Benefits Paid	—	(2.84)
Balance at the end of the year	44.16	39.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	As at 31st March 2022 Gratuity Rs. in Lacs	As at 31st March 2021 Gratuity Rs. in Lacs
(ii) Change in Fair value of assets		
Balance at the beginning of the year	35.45	36.02
Assets transferred out/ Divestments	—	—
Expected Return on Plan Assets excluding interest income	0.07	(0.05)
Interest Income	2.24	2.32
Re-measurements due to:		
Actual Return on Plan Assets less interest on Plan Assets	—	—
Contribution by the employer	—	—
Benefits Paid	—	(2.84)
Balance at the end of the year	37.76	35.45
(iii) Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the funded defined benefit obligation at the end of the period	(44.16)	(39.65)
Fair Value of Plan Assets	37.76	35.45
Net Asset / (Liability) in the Balance Sheet	(6.40)	(4.20)
(iv) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	2.70	3.15
Interest Cost	0.27	0.18
Past Service Cost	—	—
Expected Return on Plan Assets	—	—
Amount charged to the Statement of Profit and Loss	2.97	3.33
(v) Re-measurements recognized in Other Comprehensive Income (OCI):		
Actual Gain/Losses on Obligation	(0.70)	(2.01)
Return on plan assets, Excluding Interest Income	(0.07)	0.05
Amount recognized in Other Comprehensive Income (OCI)	(0.77)	(1.96)
(vi) Maturity Profile of Defined Benefit Obligation:		
Within the next 12 months	1.92	1.72
Between 1 and 5 years	33.44	21.70
Between 6 and 10 years	12.78	20.24
11 Years and above	17.00	15.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	31st March 2022 Gratuity Rs. in Lacs	31st March 2021 Gratuity Rs. in Lacs
(vii) Sensitivity analysis for significant assumptions:*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	44.16	39.65
1% increase in discount rate	(1.99)	(2.07)
1% decrease in discount rate	2.18	2.28
1% increase in salary escalation rate	1.32	1.40
1% decrease in salary escalation rate	(1.29)	(1.38)
1% increase in employee turnover rate	0.36	0.23
1% decrease in employee turnover rate	(0.40)	(0.26)
The major categories of plan assets as a percentage of total plan:		
Insurer Managed Funds	37.76	35.45
Actuarial Assumptions:		
Discount Rate (p.a.)	6.33%	6.43%
Expected Return on Plan Assets (p.a.)	6.33%	6.43%
Turnover Rate	20% and 7%	20% and 7%
Mortality tables	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2006-08)
Salary Escalation Rate (p.a.)	6.50%	6.50%
Retirement age	60 and 65	60 and 65
Weighted Average duration of Defined benefit obligation (years)	7	7

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Basis used to determine Expected Rate of Return on Plan Assets: The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary Escalation Rate: The past experience and industry practice considering promotion and demand and supply of employees.

Asset Liability matching strategy: The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

b. Defined Contribution Plans:

Amount recognized as an expense and included in Note 29 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is:

Particulars	31st March 2022 Rs. in Lacs	31st March 2021 Rs. in Lacs
Provident and other Funds	6.09	5.24
Total	6.09	5.24

Compensated Absences:

The liability towards compensated absences is provided for based on actuarial valuation carried out by using Projected Accrued Benefit Method.

NOTE 36 — RELATED PARTY DISCLOSURES

Name of Related Parties

Nature of Relationship

(A) List of parties exercising control:

R.B Fitness & Trading Private Limited

Holding Company

(B) List of Related Parties where control exists:

Cravatex Brands Limited

Subsidiary Company

BB UK Ltd.

Subsidiary Company

BB Europe GmbH

Step down Subsidiary Company

SD Enterprises

Director's relative interest

Tecfin Consultancy Services LLP

Proline Exports Pvt Ltd.

Crav Apparels Private Limited

Enterprises where common control exists

(C) Key Management Personnel:

Name of Key Managerial Personnel

Nature of Relationship

Mr. Rajesh Batra

Chairman & Managing Director

Mr. Divakar Kamath

Executive Director & Chief Financial Officer (CFO)

Mr. N. Santhanam

Independent Director

Mr. S.D. Israni

Independent Director

Ms. Pheroza Jimmy Bilimoria

Independent Director

Mr. Rohan Batra

Director and managing director of subsidiary company

Mr. Sudhanshu Namdeo

Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

(D) The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transaction/Relationship	As at 31 March 2022 Rs. in Lacs	As at 31 March 2021 Rs. in Lacs
Dividend Received		
BB UK Ltd.	460.45	534.33
Service Charges Received on SAP		
Cravatex Brands Limited	22.86	51.67
Combined Office Administrative Charges		
Tecfin Consultancy Services LLP	3.50	4.63
Sale of Product		
Crav Apparels Private Limited	87.45	66.08
Rental Income		
Cravatex Brands Limited	18.34	17.45
Director Sitting Fee	13.00	11.00
(E) Outstanding balances:		
Trade Receivables		
— Cravatex Brands Limited	7.17	12.92
Trade Payables	—	—
(F) Compensation of Key Management Personnel of the Company:		
Short Term Employee Benefits	84.93	64.48
Other Long Terms Benefits	4.31	2.69
Total Compensation	<u>89.24</u>	<u>67.17</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Terms and conditions of transactions with related parties:

All related party transactions entered during the year are in ordinary course of the business and are on arm's length basis.

Particulars	As at 31 March 2022 Rs. in Lacs	As at 31 March 2021 Rs. in Lacs
NOTE 37 — FINANCIAL INSTRUMENTS		
Classification of Financial Assets and Liabilities:		
Financial assets at Amortized cost:		
Loans (Non Current)	130.89	30.50
Trade Receivables	0.54	15.28
Cash and Cash Equivalents	88.81	51.69
Other Bank Balances	3.79	5.20
Other Current Financial Assets	7.17	12.92
Financial assets at Fair Value through Profit and Loss Account:		
Investment (Current)	—	722.51
Financial assets at Fair Value through Other Comprehensive Income:		
Investment (Non Current)	4,312.83	3,312.85
Total	4,544.03	3,605.68
Financial Liabilities at Amortized cost:		
Borrowings (Non Current)	402.24	388.88
Borrowings (Current)	—	9.92
Other Non Current Financial Liabilities	100.27	28.20
Trade Payables	11.21	80.59
Other Current Financial Liabilities	291.40	287.58
Total	805.12	795.17

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2022, and 31st March, 2021 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant each of year presented.

NOTE 38 — FAIR VALUE MEASUREMENT

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The management assessed that cash and bank balances, trade payables, and other financial asset and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 39 — FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of Borrowings. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include Investments, Loans and Other receivables, Cash and Cash Equivalents, Other Bank Balances that directly derive from its operations.

The Company is exposed to Market Risk, Credit Risk and Liquidity Risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(A) Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

(1) Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates.

(2) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
(a) Fixed Rate		
Non Current Borrowings	757.50	757.50
Fixed Deposits	—	—
(b) Fluctuating Rate		
Non Current Borrowings	—	—
Current Borrowings	—	9.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Interest rate sensitivities for unhedged exposure (impact on increase in 100 bps):

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Non Current Borrowings	—	—
Current Borrowings	—	0.10

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

(B) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating (primarily Trade Receivables), investing and financing activities including Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments.

Trade Receivables:

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The company allows credit period ranging from 30 days to 180 days, subject to reasonableness of the receivable. There is no concentration of customers and receivable amount.

Investments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent is generally low, as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only based on Investment Policy of the Company. Investments consists of Investments in Subsidiaries & Investment in Short Term liquid Mutual Funds.

(C) Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. in Lacs)

As at 31st March 2022	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade Payables	11.21	—	—	11.21
Borrowings (including current maturities of long term debt)	—	—	757.50	757.50
Other Financial Liabilities	265.99	125.69	—	391.68

(Rs. in Lacs)

As at 31st March 2021	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade Payables	9.34	—	—	9.34
Borrowings (including current maturities of long term debt)	—	—	757.50	757.50
Other Financial Liabilities	172.01	240.02	—	412.03

NOTE 40 — CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- (a) maximise shareholder value and provide benefits to other stakeholders and
- (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTES — Contd.
Key Financial Ratios:

Name of the ratio	Formula	As at 31st March 2022	As at 31st March 2021	% variance	Reason for Change
Current Ratio (in times)	Current assets/ Current liability	0.19	0.89	-79%	During the year current assets have reduced as compared to previous year due to monetization of current investments.
Debt Equity ratio (in times)	Net Debt / Equity	0.07	-0.10	-176%	During the year net debt has increased since company has monetise it's current investment in mutual fund.
Debt Service Coverage Ratio (in times)	Earnings available for debt service Total debt service/ Total debt service	N.A.	N.A.	N.A.	N.A.
Return On Equity Ratio (in %)	Net profit/ Shareholders equity	10%	15%	-30%	The impact is due to lower profits in comparison to previous year on account of lower dividends received.
Inventory Turnover Ratio (in times)	Cost of Goods Sold /Average Inventory	375.40	174.84	115%	The variation is on account lower average inventory mainly because of subdued activity in last quarter.
Trade Receivables Turnover Ratio (in times)	Net sales/ Average accounts receivable	30.90	5.91	423%	The Variation is on account of lower average debtors mainly due to subdued activity in last quarter.
Trade Payables Turnover Ratio (in times)	Net purchases/ Average trade payables	22.64	4.89	363%	The variation is on account of lower average trade payables as compared to previous year.
Net Capital Turnover Ratio (in times)	Net sales/Net Working capital	-1.37	0.36	-485%	The change is on account of adverse net working capital due to monetization of current investments.
Net Profit Ratio (in %)	Net profit/ Net sales	39%	47%	-16%	The reason for the same is on account of reduction in profit in comparison to previous year due to lower dividend received.
Return On Capital Employed (in %)	Earning before interest and tax/Capital employed	12%	16%	-24%	Change is marginal.
Return On Investment (in %)	Profit for the year (PAT)/ Total Assets	8%	11%	-28%	The impact is due to lower profits in comparison to previous year on account of lower dividends received.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 41 — LEASES

The company has taken on lease office premises . The lease runs for the period of 5 years.

Information about leases for which the company is lessee is presented below:

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
(A) Right of use assets		
Balance at March 31, 2021	127.80	—
Additions	—	127.80
Disposal / Derecognized during the year	—	—
Balance at March 31, 2022	127.88	127.80
(B) Accumulated depreciation		
Balance at March 31, 2021	15.10	—
Depreciation expense	25.56	15.10
Disposal / Derecognized during the year	—	—
Balance at March 31, 2022	40.66	15.10
(C) Lease liabilities		
Balance at March 31, 2021	113.20	—
Addition	—	123.64
Accredition of interest	11.73	6.60
Payments	31.08	17.04
Balance at March 31, 2022	93.85	113.20
Current	21.62	19.34
Non-current	72.23	93.86
(D) Amounts recognised in profit and loss		
Depreciation expense of right-of-use assets	25.56	15.10
Interest expense on lease liabilities	11.73	6.60
Total	37.29	21.70

NOTE 42 — RECENT ACCOUNTING PRONOUNCEMENTS

Recent Accounting Developments Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- (a) Ind AS 109: Annual Improvements to Ind AS (2021)
- (b) Ind AS 103: Reference to Conceptual Framework
- (c) Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- (d) Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 43 — SEGMENT INFORMATION

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM')

(A) Trading – Trading in Sports Goods and Textiles

(B) Unallocable – Others

Particulars	For the year Ended 31 March 2022			For the year Ended 31 March 2021		
	Trading	Unallocable	Total	Trading	Unallocable	Total
Segment Revenue (Revenue from Sales, Services & Other Operating Revenue)						
Revenue from Sale of products	244.35	—	244.35	230.76	—	230.76
Revenue from Services	—	—	—	—	—	—
Other Operating Revenue	—	—	—	—	—	—
Total Revenue (A)	244.35	—	244.35	230.76	—	230.76
Less: Inter Segment Revenue if any (B)	—	—	—	—	—	—
Total Segment Revenue (C = A-B)	244.35	—	244.35	230.76	—	230.76
Segment Results (Profit / (Loss) Before Interest, Depreciation, Tax & Exceptional Items)	10.48	(234.78)	(224.30)	11.03	(255.85)	(244.82)
Less: Exceptional Items	—	—	—	—	—	—
Segment Results (Profit / (Loss) Before Interest, Depreciation & Tax)	10.48	(234.78)	(224.30)	11.03	(255.85)	(244.82)
Less: Depreciation & Amortization	—	(69.72)	(69.72)	—	(73.59)	(73.59)
Total Segment Result (D)	10.48	(304.50)	(294.02)	11.03	(329.44)	(318.42)
Less: Finance Costs	—	(72.12)	(72.12)	-	(65.34)	(65.34)
Add: Other Income	—	876.25	876.25	-	1,002.39	1,002.39
Profit/(Loss) Before Tax	10.48	499.63	510.11	11.03	607.60	618.63
Tax Expenses						
— Current Tax	—	(79.01)	(79.01)	—	(81.50)	(81.50)
— Deferred Tax Charge/(Credit)	—	7.73	7.73	—	39.50	39.50
— Excess Tax Provision for Earlier years	—	—	—	—	—	—
Profit for the year	10.48	428.35	438.83	11.03	565.60	576.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Segment Reporting Format for Business Segment as per IND AS 108

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Segment Assets		
— Trading	—	15.28
Add: Unallocable Segment Assets	<u>5,385.23</u>	<u>5,065.56</u>
Total Assets	<u><u>5,385.23</u></u>	<u><u>5,080.84</u></u>
Segment Liabilities		
— Trading	—	9.34
Add: Unallocable Segment Liabilities	<u>1,168.22</u>	<u>1,215.02</u>
Total Liabilities	<u><u>1,168.22</u></u>	<u><u>1,224.36</u></u>

The geographical information analyses the Company's revenues and non-current assets by the company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

Particulars	As on 31st March 2022 Rs. in Lacs	As on 31st March 2021 Rs. in Lacs
A. Revenue from operations		
— Domestic	244.35	230.76
— International	—	—
B. Non-current assets		
— Domestic	5,230.40	4,198.07
— International	—	—

NOTE 44 — SUBSEQUENT EVENT

Dividends paid during the year ended March 31, 2022 includes an amount of Rs. 3 per equity share towards final dividend for the year ended March 31, 2021.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable Tax Deducted at Source. On 30.05.2022, the Board of Directors of the Company have proposed a final dividend of Rs.3.00/- per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.77.53/- Lacs.

NOTE 45 — CORPORATE SOCIAL RESPONSIBILITY

The company is covered under section 135 of the Companies Act as its net profit is more than Rs.5 Crores during the immediately preceding financial year. The company spends at least 2% of their average net profits of 3 preceding years in eligible CSR activities. In accordance with Section 135(9) of the Act, since the amount to be spent by the company does not exceed rupees fifty lakhs, constitution of the Corporate Social Responsibility Committee is not required. The company complies with all the responsibilities of CSR committee to be discharged by the board.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES — Contd.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Amount required to be spent by the company during the year	8.06	—
Amount of expenditure incurred	10.2	—
Excess at the end of the year	2.14	—
Total of previous year's shortfall	—	—
Reason for shortfall	NA	—
Nature of CSR activities	Refer Note Below	—
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	—
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	—

Note:

Company has decided to donate towards purchase of one Maquet Mid End Ventilator to KHM Hospital, Kandivli under CSR activity.

NOTE 46 — OTHER DISCLOSURES

There are no transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) the company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- (e) Relating to borrowed funds:
 - (i) Wilful defaulter
 - (ii) Utilisation of borrowed funds & share premium
 - (iii) Borrowings obtained on the basis of security of current assets
 - (iv) Discrepancy in utilisation of borrowings
 - (v) Current maturity of long term borrowings

NOTE 47 — PREVIOUS YEAR'S COMPARABLES

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm with current years classification/disclosure.

SIGNATURES TO NOTES FORMING PART OF THE FINANCIAL STATEMENTS FROM "1" TO "47"

As per our report of even date

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

H.Y. Gurjar
Partner
Membership No. 032485

Place : Mumbai
Dated : May 30, 2022

For and on behalf of the Board of CRAVATEX LTD.

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

CONSOLIDATED AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of Cravatex Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Cravatex Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income/Expense), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements:

- (i) includes the results of the following subsidiaries:
 - (a) Cravatex brands Limited
 - (b) BB (UK) Limited and
 - (c) BB Euro GmbH
- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2022.

Basis for Opinion

We conducted our audit of the 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial

CONSOLIDATED AUDITORS' REPORT

performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group 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 Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 and its subsidiary companies which are companies incorporated in India, 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated 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

CONSOLIDATED AUDITORS' REPORT

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 consolidated 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 consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated 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 consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

CONSOLIDATED AUDITORS' REPORT

- (iv) (A) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (B) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 35 to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) There was no interim dividend declared by the Company during the year.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **GPS & Associates**
Chartered Accountants
Firm Registration No. 121344W

H. Y. Gurjar
Partner
Membership No. 032485
UDIN: 22032485AJXMTU2800

Place : Mumbai
Dated : May 30, 2022

CONSOLIDATED AUDITORS' REPORT

Annexure "A" to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of **Cravatex Limited** ("the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing 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 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.

CONSOLIDATED AUDITORS' REPORT**Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, as referred to in the Other Matters paragraph, the Holding Company and its subsidiary which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/standalone financial statements of its subsidiary which is a company incorporated in India, is based on the corresponding reports of the auditor of such company.

For **GPS & Associates**
Chartered Accountants
Firm Registration No. 121344W

H. Y. Gurjar
Partner
Membership No. 032485
UDIN: 22032485AJXMTU2800

Place : Mumbai
Dated : May 30, 2022

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2022

Particulars	Note No.	As at March 31, 2022 Rupees in Lacs	As at March 31, 2021 Rupees in Lacs
(A) ASSETS			
(1) Non-Current assets			
(a) Property, Plant and Equipment	3(a)	1,213.78	1,471.17
(b) Investment Property	3(b)	607.95	624.34
(c) Right to lease asset	44	2,200.26	3,047.37
(d) Other Intangible Assets	3(c)	2,131.25	2,502.84
(e) Financial Assets			
(i) Loans	4	130.89	577.27
(ii) Others	5	657.50	29.08
(f) Other Non-Current Assets	6	54.98	62.74
Total Non - Current Assets		6,996.61	8,314.81
(2) Current Assets			
(a) Inventories	7	9,434.31	8,500.38
(b) Financial Assets			
(i) Investments	8	459.70	1,479.38
(ii) Trade receivables	9	13,320.56	14,305.11
(iii) Cash and cash equivalents	10	3,792.41	3,524.69
(iv) Bank Balances other than Cash and Cash Equivalents	11	4.76	82.62
(v) Other Financial Assets	12	727.48	759.91
(c) Loans and advances	13	260.53	323.42
(d) Current Tax Assets (Net)	14	41.72	60.57
(e) Other current assets	15	1,421.10	1,159.60
Total Current Assets		29,462.57	30,195.68
Total Assets		36,459.18	38,510.49
(B) EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share capital	16	258.42	258.42
(b) Other Equity	17	(5,235.05)	(3,086.65)
Equity attributable to shareholders of the Company		(4,976.63)	(2,828.24)
Non-controlling interests		7,524.10	7,524.06
Total Equity		2,547.47	4,695.82
(2) LIABILITIES			
(I) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	10,626.03	8,416.74
(ii) Others	19	1,762.18	2,666.66
(b) Provisions	20	220.14	204.24
(c) Deferred tax liabilities (Net)	21	74.73	82.97
(d) Other Non-Current Liabilities	22	679.05	778.40
Total Non Current Liabilities		13,362.13	12,149.01
(II) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	6,087.41	7,049.41
(ii) Trade payables	24	4,014.29	2,297.11
(iii) Others	25	3,078.43	3,582.45
(b) Other Current Liabilities	26	6,761.50	8,103.89
(c) Provisions	27	607.95	632.81
Total Current Liabilities		20,549.58	21,665.67
Total Equity and Liabilities		36,459.18	38,510.49
Corporate Information	1		
Significant accounting policies	2		
Notes forming part of the Financial Statement	34-53		

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

N. Santhanam
Independent Director
DIN: 00027724

H.Y. Gurjar
Partner
Membership No. 032485

Divakar Kamath
Executive Director & CFO
DIN: 08730430

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

Place : Mumbai
Dated : May 30, 2022

CONSOLIDATED PROFIT AND LOSS STATEMENT

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	Note No.	For the Year 2021-2022 Rupees in Lacs	For the Year 2020-2021 Rupees in Lacs
INCOME			
Revenue from operations	28	59,433.37	53,187.67
Other Income	29	993.19	1,431.32
TOTAL INCOME		60,426.56	54,618.99
EXPENSES			
Purchase of Stock-in-Trade		42,085.49	36,765.03
Change in Inventories of Stock in Trade	30	(933.89)	(339.06)
Employee benefits expense	31	6,471.59	6,416.33
Finance costs	32	1,347.77	1,432.14
Depreciation and amortisation expense	3 & 44	1,636.91	1,744.23
Other expenses	33	11,673.08	11,575.60
TOTAL EXPENSES		62,280.95	57,594.26
Profit / (Loss) before tax		(1,854.39)	(2,975.28)
Tax expense:			
Current Tax		(389.03)	(445.04)
Deferred tax Asset/(Liability)		7.73	39.50
Excess Tax Provision for Earlier years		246.94	319.76
Profit /(Loss) for the period		(1,988.75)	(3,061.06)
Other Comprehensive Income/(loss) for the period:			
Items that will not be reclassified to profit or loss			
(i) Re-measurements of the net defined benefit Plans		(29.10)	(52.63)
Total Other Comprehensive Income/(loss) for the period		(29.10)	(52.63)
Total Comprehensive Income/(loss) for the period		(2,017.85)	(3,113.69)
Net profit attributable to:			
Owners of the Holding Company		(1,988.64)	(3,060.91)
Non-controlling Interest		(0.10)	(0.15)
		(1,988.75)	(3,061.06)
Other Comprehensive Income/(loss) attributable to:			
Owners of the Holding Company		(29.10)	(52.63)
Non-controlling Interest		(0.00)	(0.00)
		(29.10)	(52.63)
Total Comprehensive Income/(loss) attributable to:			
Owners of the Holding Company		(2,017.74)	(3,113.54)
Non-controlling Interest		(0.10)	(0.15)
		(2,017.85)	(3,113.69)
Basic and Diluted Earnings per Equity share (In Rs.)	49	(76.96)	(118.45)

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

H.Y. Gurjar
Partner
Membership No. 032485

Place : Mumbai
Dated : May 30, 2022

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2022

(A) EQUITY SHARE CAPITAL

Particulars	31 March 2022		31 March 2021	
	Number of Shares	Amount Rs. in Lacs	Number of Shares	Amount Rs. in Lacs
At the commencement of the year	2,584,160	258.42	2,584,160	258.42
Add: Shares issued during the year	—	—	—	—
At the end of the year	2,584,160	258.42	2,584,160	258.42

(B) OTHER EQUITY

Rs. in Lacs

Particulars	Reserves and surplus								Total attributable to equity shareholders
	Foreign Currency Translation Reserve	Retained Earnings	General Reserve	Capital Reserve	Security Premium	Capital Redemption Reserve	Amalgamation Adjustment Deficit Account	Export Profit Reserve	
(a) Balance at 31 March 2020	120.92	1,097.34	1,867.10	240.76	1,402.59	211.23	(5,306.74)	6.03	(360.78)
Profit for the year	—	(3,060.91)	—	—	—	—	—	—	(3,060.91)
Other comprehensive income for the year	—	(52.63)	—	—	—	—	—	—	(52.63)
(b) Total comprehensive income for the year	—	(3,113.54)	—	—	—	—	—	—	(3,113.54)
(c) Effect during the year	126.00	—	(23.46)	—	285.12	—	—	—	387.66
(d) Balance at 31 March 2021 (a+b+c)	246.92	(2,016.20)	1,843.64	240.76	1,687.71	211.23	(5,306.74)	6.03	(3,086.65)
Profit for the year	—	(1,988.64)	—	—	—	—	—	—	(1,988.64)
Other comprehensive income for the year	—	(29.10)	—	—	—	—	—	—	(29.10)
(e) Total comprehensive income for the year	—	(2,017.74)	—	—	—	—	—	—	(2,017.74)
(f) Effect during the year	(51.49)	—	(79.16)	—	(0.01)	—	—	—	(130.66)
(g) Balance at 31 March 2022 (d+e+f)	195.43	(4,033.93)	1,764.48	240.76	1,687.70	211.23	(5,306.74)	6.03	(5,235.05)

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

H.Y. Gurjar
Partner
Membership No. 032485

Place : Mumbai
Dated : May 30, 2022

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

CONSOLIDATED CASH FLOW STATEMENT
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

PARTICULARS	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
A Cash flow from operating activities		
Net profit before tax	(1,854.39)	(2,975.28)
Adjustments for:		
Depreciation	1,636.91	1,744.23
Interest income	(98.46)	(122.04)
Rent Income	(350.53)	(314.67)
Gain on Investments	(17.71)	(34.12)
Dividend Income	—	(6.48)
Finance Cost	1,347.77	1,432.14
Unrealised exchange gain (net)	0.81	(3.22)
Profit / (Loss) on sale of Fixed Assets	3.94	89.66
Fixed Assets Written off	—	33.85
Loss on debt instruments measured at FVTPL	(454.75)	67.90
Bad Debts & Provision for bad debts	665.29	625.12
MTM loss/(profit) on derivative contracts	(0.75)	(0.75)
Current Year gain/loss on translation of currencies	(51.49)	126.01
Operating profit before working capital changes	826.65	662.37
Adjustments for:		
(Increase)/Decrease in Trade Receivables	319.26	2,012.48
(Increase)/Decrease in Inventories	(933.93)	(339.05)
(Increase)/Decrease in Loans & Advances	509.26	(17.56)
(Increase)/Decrease in Other Assets	(849.74)	(504.35)
Increase/(Decrease) in Trade Payable	1,716.37	(1,907.01)
Increase/(Decrease) in Other Liabilities	(2,180.22)	(449.48)
Increase/(Decrease) in Provisions	(39.70)	268.15
Cash generated from operations	(632.06)	(274.44)
Direct taxes Paid/(Refund received)	(123.76)	(108.01)
Net cash from operating activities	(755.82)	(382.46)
B Cash flow from investing activities		
(Purchases)/Sale of Property, plant and equipment	(171.36)	(267.79)
Sale/(Purchase) of investments	1,019.68	978.50
Deposits relating to investment property	—	18.55
Gain on sale of Investments	17.71	34.12
Movement in Other Bank Balances	77.86	926.14
Dividend Income	—	6.48
Rent Income	350.53	314.67
Interest received	98.46	44.75
Net cash from / (used in) investing activities	1,392.88	2,055.42
C Cash flow from financing activities		
Proceeds of Issue of preference shares by subsidiary Company	—	700
Dividend Paid	(77.52)	(25.84)
Cash payment for principal portion of lease liability	(646.09)	(640.00)
Proceeds from/ (Repayment) of long-term Borrowings	2,664.04	87.85
Proceeds from/ (Repayment) of Short-term Borrowings	(962.00)	(760.89)
Interest Paid	(1,347.77)	(1,432.14)
Net cash from / (used in) financing activities	(369.34)	(2,071.04)
D Net cash flows during the year (A+B+C)	267.72	(398.08)
Cash and cash equivalents (opening balance)	3,524.70	3,922.78
Cash and cash equivalents (closing balance)	3,792.41	3,524.70

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) 7 – "Statement of Cash Flows"

As per our report of even date

For and on behalf of the Board of CRAVATEX LTD.

For **GPS & ASSOCIATES**

Chartered Accountants

Firm Registration No. 121344W

H.Y. Gurjar

Partner

Membership No. 032485

Rajesh Batra

Chairman & Managing Director

DIN: 00020764

N. Santhanam

Independent Director

DIN: 00027724

Divakar Kamath

Executive Director & CFO

DIN: 08730430

Sudhanshu Namdeo

Company Secretary

Membership No.: A17132

Place : Mumbai

Dated : May 30, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTE 1 — COMPANY OVERVIEW

Cravatex Limited (“the Company”) incorporated on 22nd June, 1951 under the Companies Act, 1913 (“the Act”) is a public limited BSE listed Company, incorporated and domiciled in India. The Company is a subsidiary of holding company, R.B. Fitness and Trading Private Limited incorporated and domiciled in India. Cravatex Limited is the Holding Company of two subsidiaries viz. BB (UK) London (BBUK) and Cravatex Brands Ltd Mumbai (CBL) and one fellow subsidiary viz BB Europe GmbH. The Company along with its subsidiaries is engaged in the business of Branded sports goods, wellness and fitness equipment with servicing. Details of the shareholding in subsidiaries are as under:

Name of the Subsidiary	Country	Proportion of Ownership	
		As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
Cravatex Brands Limited	India	99.997%	99.997%
BB (UK) Limited	United Kingdom	100%	100%

NOTE 2(A): Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount:

- I. Certain financial assets and liabilities (including derivative instruments),
- II. Defined benefit plan's - plan assets and
- III. Equity settled share based payments

The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. The Company's consolidated financial statements are presented in Indian Rupees in lakhs up to two decimals.

NOTE 2(B): Principles of Consolidation

The consolidated financial statements relate to Cravatex Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items.
- II. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- III. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- IV. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- V. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- VI. Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- VII. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

NOTE 2(C): Other Significant Accounting Policies

These are set out under “Significant Accounting Policies” as given in the Company's standalone financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 3(a) Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended on March,31 2022

(Rs. in Lacs)

Description	Freehold Land	Building	Plant & Machinery	Spa / Fitness Equipment	Air-conditioning Plant & Units	Furniture, Fixtures & Fittings	Motor Vehicles	Electrical Fittings	Office Equipment	Leasehold Improvement	Computers	Total
Gross carrying value (at cost)												
Balance as at 31 March 2020	5.14	415.99	—	36.74	75.58	2,054.43	34.79	239.58	152.89	86.68	106.64	3,208.46
Additions	—	11.25	—	—	—	202.02	7.02	4.82	6.49	3.62	8.49	243.72
Deletions/discarded/adjustments	—	—	—	36.74	63.82	303.58	16.51	115.12	33.18	67.97	23.21	660.13
Balance as at 31 March 2021	5.14	427.25	—	—	11.76	1,952.87	25.30	129.28	126.21	22.33	91.92	2,792.05
Additions	—	—	28.18	—	—	109.15	—	—	2.91	—	4.68	144.92
Deletions/discarded/adjustments	—	—	—	—	—	3.56	—	0.28	0.10	—	0.61	4.55
Balance as at 31 March 2022	5.14	427.25	28.18	—	11.76	2,058.46	25.30	129.00	129.02	22.33	95.99	2,932.42
Accumulated depreciation												
Balance as at 31 March 2020	—	137.40	—	34.90	56.41	773.76	31.74	157.46	81.96	86.09	81.53	1,441.25
Charge for the year	—	32.82	—	—	3.81	350.64	2.81	13.11	18.87	0.93	12.51	435.50
Deletions/Adjustments	—	5.60	—	34.90	53.42	234.36	16.38	87.98	32.40	67.97	22.87	555.88
Balance as at 31 March 2021	—	164.62	—	—	6.80	890.04	18.17	82.59	68.43	19.05	71.17	1,320.87
Charge for the year	—	27.61	0.66	—	1.34	329.95	2.48	5.35	18.12	0.69	10.28	396.48
Deletions/Adjustments	—	(0.38)	—	—	—	(0.95)	(0.04)	—	—	—	(0.57)	(1.94)
Balance as at 31 March 2022	—	192.61	—	—	8.14	1,220.94	20.69	87.94	86.55	19.74	82.02	1,718.63
Net carrying amount												
As at 31 March 2021	5.14	262.63	—	—	4.96	1,062.82	7.13	46.69	57.77	3.28	20.75	1,471.17
As at 31 March 2022	5.14	234.64	28.18	—	3.62	837.51	4.61	41.06	42.46	2.59	13.97	1,213.78

Note:

The Company has not revalued any of its property, plant and equipment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 3(b) Investment Property

Following are the changes in the carrying value of Investment Property for the year ended on March,31 2022

(Rs. in Lacs)

Description	Building	Total
Gross carrying value (at cost)		
Balance as at 31 March 2020	1,019.19	1,019.19
Additions	—	—
Deletions / discarded / adjustments	—	—
Balance as at 31 March 2021	1,019.19	1,019.19
Additions	—	—
Deletions / discarded / adjustments	—	—
Balance as at 31 March 2022	1,019.19	1,019.19
Accumulated depreciation		
Balance as at 31 March 2020	378.46	378.46
Charge for the year	16.39	16.39
Deletions/Adjustments	—	—
Balance as at 31 March 2021	394.85	394.85
Charge for the year	16.39	16.39
Deletions/Adjustments	—	—
Balance as at 31 March 2022	411.24	411.24
Net carrying amount		
As at 31 March 2021 (Fair Market Value Rs.6,159.59 Lacs)	624.34	624.34
As at 31 March 2022 (Fair Market Value Rs.6,159.59 Lacs)	607.95	607.95

The fair value of investment property has been determined having reference to the market values as prescribed under the ready reckoner published by a competent authority, as the company believes that the current market price of similar properties in the vicinity is the best evidence of the fair value of such investment property.

Note: Amounts recognised in profit and loss in respect of investment property

Rupees in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Income	336.54	332.12
Less: Depreciation	(16.39)	(16.39)
Less: Society charges & others	(15.78)	(22.37)
Profit	304.38	293.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Detail of title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
Description of item of property	Warehouse at Off Kanapura Road, AC Industrial area, Bangalore	2 Shops at 4G4H Spencer Plaza, Mount Road, Chennai
Gross carrying value	Rs. 138 Lakhs	Rs. 173 Lakhs
Title deeds held in the name of	Proline India Limited	Proline Sportswear Pvt. Ltd.
Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	No	No
Property held since which date	24th March, 2008	7th Nov, 1991 and 10th Jan, 1993
Reason for not being held in the name of the company	Proline India Limited (earlier known as Proline Sportswear Pvt Ltd) merged with Cravatex Brands Limited (CBL) w.e.f 1st April 2020 and Company is in process of transferring the title deed in the name of CBL.	

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 3(c) Other Intangible assets

Following are the changes in the carrying value of Intangible Assets for the year ended on March,31 2022

(Rs. in Lacs)

Description	Licenses, Sublicenses & Franchise	Software	Web site	Total
Gross carrying value (at cost)				
Balance as at 31 March 2020	3,929.86	226.82	22.80	4,179.48
Additions	—	4.00	—	4.00
Deletions / discarded / adjustments	—	9.40	—	9.40
Balance as at 31 March 2021	3,929.86	221.42	22.80	4,174.08
Additions	—	27.02	—	27.02
Deletions / discarded / adjustments	—	—	—	—
Balance as at 31 March 2022	3,929.86	248.44	22.80	4,201.10
Accumulated depreciation				
Balance as at 31 March 2020	1,128.14	130.42	22.80	1,281.36
Charge for the year	373.50	25.29	—	398.79
Deletions/Adjustments	—	8.90	—	8.90
Balance as at 31 March 2021	1,501.64	146.80	22.80	1,671.24
Charge for the year	373.52	25.09	—	398.61
Deletions/Adjustments	—	—	—	—
Balance as at 31 March 2022	1,875.16	171.89	22.80	2,069.85
Net carrying amount				
As at 31 March 2021	2,428.22	74.62	—	2,502.84
As at 31 March 2022	2,054.70	76.55	—	2,131.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 4 — NON CURRENT LOANS		
(Unsecured, Considered Good)		
Security & Other Deposits	130.89	577.27
Total	130.89	577.27
NOTE 5 — OTHER NON-CURRENT FINANCIAL ASSETS		
Bank deposits with original maturity beyond 12 months	657.50	29.08
Total	657.50	29.08
NOTE 6 — OTHER NON-CURRENT ASSETS		
(Unsecured, Considered Good)		
Other Loans and Advances	54.98	62.74
Total	54.98	62.74
NOTE 7 — INVENTORIES		
Stock-in-Trade	9,357.15	8,413.04
Stores and Spares (valued at lower of cost and net realisable value)	77.16	87.34
Total	9,434.31	8,500.38
NOTE 8 — CURRENT INVESTMENTS		
Investment measured at fair value through profit and loss		
Investment in Mutual Funds (quoted)	459.70	1,479.38
Total	459.70	1,479.38
<i>Aggregate book value of unquoted investments</i>	<i>452.84</i>	<i>1,455.27</i>
NOTE 9 — TRADE RECEIVABLES		
Secured, considered good	4,657.41	227.75
Unsecured, considered good	8,663.14	14,077.36
Credit impaired	1,533.73	781.58
Less: Loss Allowance	(1,533.73)	(781.58)
Total	13,320.56	14,305.11
Receivable from related parties {Refer note 39}		

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Trade Receivables ageing schedule

As at 31st March 2022

Particulars	Undisputed Trade Receivables – Considered Good	Undisputed Trade Receivables – Credit Impaired	Total
Less than 6 months	12,089.52	1,079.14	13,168.65
6 months – 1 year	1,039.25	—	1,039.25
1-2 years	176.85	238.86	415.71
2-3 years	13.43	104.03	117.46
More than 3 years	1.51	111.70	113.21
Total	13,320.56	1,533.73	—

As at 31st March 2021

Particulars	Undisputed Trade Receivables – Considered Good	Undisputed Trade Receivables – Credit Impaired	Total
Less than 6 months	12,075.61	117.70	12,193.31
6 months – 1 year	894.05	23.19	917.24
1-2 years	1,252.91	527.99	1,780.90
2-3 years	33.50	79.81	113.32
More than 3 years	49.04	32.89	81.93
Total	14,305.11	781.58	—

Particulars

As at
31st March 2022
Rupees in LacsAs at
31st March 2021
Rupees in Lacs

NOTE 10 — CASH AND BANK BALANCES

(A) Cash & Cash Equivalents

(a) Balances with banks:

Current accounts

2,690.12

2,765.09

Deposit accounts

1,093.38

749.88

(b) Cash in hand & Imprest

8.91

9.72

Total

3,792.41

3,524.69

NOTE 11 — BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Fixed Deposit of original maturity of more than 3 Months but within 12 months

0.97

77.42

Unpaid Dividend

3.79

5.20

Total

4.76

82.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
NOTES — Contd.

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 12 — OTHER CURRENT FINANCIAL ASSETS		
Advance with Government Authorities	689.36	743.27
Employee advances	21.48	—
Other Loans and Advances	16.64	16.64
Total	727.48	759.91
NOTE 13 — CURRENT LOANS & ADVANCES		
(Unsecured, considered good)		
Deposits	225.40	271.55
Advance to Related Party	9.25	9.38
Employee advances	25.88	42.49
Total	260.53	323.42
NOTE 14 — CURRENT TAX ASSETS		
(Unsecured, considered good)		
Current Tax Assets (Net)	41.72	60.57
Total	41.72	60.57
NOTE 15 — OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Advance to vendors	36.25	146.36
Prepaid expenses	510.28	420.81
Balance with Government Authorities	819.47	589.10
Advance for DEPB License	46.70	—
Advance to others	8.40	3.34
Total	1,421.10	1,159.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	Amount in Lacs	Number of Shares	Amount in Lacs
NOTE 16 — EQUITY SHARE CAPITAL				
Authorised				
Equity Share of Rs. 10/- each	4,850,000	485.00	4,850,000	485.00
Preference Shares of Rs. 10/- each	10,150,000	1,015.00	10,150,000	1,015.00
Total	15,000,000	1,500.00	15,000,000	1,500.00
Issued, Subscribed and fully paid up:				
Equity Share of Rs. 10/- each	2,584,160	258.42	2,584,160	258.42
Total	2,584,160	258.42	2,584,160	258.42

Notes:

1) Reconciliation of Number of Shares:

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	2,584,160	258.42	2,584,160	258.42
Shares Issued during the year	—	—	—	—
Shares outstanding at the end of the year	2,584,160	258.42	2,584,160	258.42

2) The details of the Shareholders holding more than 5%

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
1) R. B. Fitness & Trading Pvt. Ltd.		
No. of shares	1,921,570	1,921,570
% held	74.36%	74.36%

3) Terms/rights attached to the Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
NOTES — Contd.
4) The details of promoters shareholdings

Shares held by promoters at the end of the Year Promoter's name	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	% of total shares	Number of Shares	% of total shares
Mr. Rajesh Batra	30	0.01	30	0.01
Mr. Rajesh Batra (c/o Batra Family Trust)	20	0	20	0
Mr. Rajesh Batra (c/o Big Time Exports)	10	0	10	0
Mr. Rajesh Batra (c/o G Hira & Co.)	10	0	10	0
M/s. R.B. Fitness and Trading Private Limited	1,921,570	74.36	1,921,570	74.36
M/s. Proline Exports Private Limited	10	0	10	0
Mr. Rajiv Batra	20	0	20	0
Mrs. Prathima Batra	16,400	0.63	16,400	0.63
Mrs. Sujaya Batra	20	0	20	0
Mrs. Divya Batra	20	0	20	0
Mr. Rohan Batra	10	0	10	0
Total	1,938,120	75.00	1,938,120	75.00

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 17 — OTHER EQUITY		
Capital Reserve	240.76	240.76
Securities Premium	1,687.70	1,687.71
Capital Redemption Reserve	211.23	211.23
Foreign Currency Translation Reserve	195.43	246.92
Amalgamation Adjustment Deficit Account	(5,306.74)	(5,306.74)
General reserve	1,764.48	1,843.64
Export Profit Reserve	6.03	6.03
Retained Earnings	(4,033.93)	(2,016.20)
Total	(5,235.05)	(3,086.65)

Description of nature and purpose of each reserve
Capital Reserve

Capital reserve represents amount received from Government of Karnataka.

Securities Premium

The amount received in excess of face value of the equity and compulsory convertible preference shares is recognised in Securities Premium.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Capital Redemption Reserve

Capital Redemption Reserve has been created out of free reserves of the Company on account of redemption of preference shares.

Foreign Currency Translation Reserve

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer.

Export Profit Reserve

Export profit reserve represents the amount earned from export sales and is to be utilised for the purpose of exports.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Particulars

	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 18 — NON CURRENT FINANCIAL BORROWINGS		
(a) Secured		
Term Loans from Bank		
From HDFC Bank	1,082.19	10.00
From Saraswat Bank	81.60	—
(b) Unsecured		
75,75,000 (2021 — 75,75,000), 4 % Non-convertible Cumulative Redeemable Preference shares of Rs.10 each	402.24	398.83
18,00,000 (2021 — 18,00,000) Optionally Convertible Debentures (OCD)	2,100.00	2,228.58
57,00,000 (2021 — 57,00,000) 0.01% Compulsory Convertible Preference Shares (CCPS)	5,460.00	5,779.33
OCD From Tata Capitals	1,500.00	—
Total	10,626.03	8,416.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Secured:

Term Loan from HDFC Bank Limited

- The Group has availed Working Capital Term Loan from HDFC Bank under Emergency Credit Line Guarantee Scheme (ECLGS), Ministry of Finance.
- Total amount sanctioned under ECLGS was of INR 1,082 lakhs and the same was completely disbursed during the year.
- Tenor of the loan is 5 years with 1 year moratorium period
- **The above facility from HDFC Bank is secured through**
- (a) This facility is covered by 100% guarantee from Ministry of Finance, Govt of India.
- (b) Second pari-passu charge as follows:
 - (1) by way of hypothecation on entire current assets of the Company including stock and book debts, present and future.
 - (2) by way of equitable mortgage of property of Cravatex Limited (Holding Company) at Nariman point, Mumbai.
 - (3) by way of hypothecation on entire movable fixed assets of the Company, both present and future except vehicles.

Term Loan from Saraswat Bank

- Company has availed Working Capital Term Loan from Saraswat Bank.
- Total amount sanctioned was Rs. 97.30 lakhs and the same was completely disbursed during the year.
- Tenor of the loan is 3 years.
- The above facility from Saraswat Bank is secured through hypothecation of Furniture and Fixture of Koramangala Office, Bangalore.
- The above borrowings carry a rate of interest ranging between 8% to 10%.

Unsecured:

Terms/rights attached to the 4% Non-convertible Cumulative Redeemable Preference shares of Rs.10 each

The Company has issued 4% Non-convertible redeemable preference share having a face value of Rs.10/- per each redeemable after a period of 20 years. Preference shareholders shall rank for dividend in priority to the equity shares. The Preference shareholder shall be eligible for 4% fixed cumulative preferential dividend.

Terms of Optionally Convertible Debentures(OCD):

- The Company has issued following Unsecured Optionally Convertible Debentures. Debentures are allotted on 27 March, 2017.
- The OCDs shall be convertible to any time at the option of the holder into such number of fully paid Shares (Base Number) as represents the proportion of the equity share capital of the Company (on a Fully Diluted Basis, post conversion of the CCPS and OCDs) obtained by dividing Rs. 1,800 lacs by the Adjusted Post Money Valuation.
- Under all circumstances, the aggregate number of Shares into which the OCD shall convert shall not exceed 16,79,799 Equity Shares.
- The OCDs shall be converted at any time at the option of the Investor.
- The OCD has been fair valued through profit and loss using Black and Scholes Model - Option Pricing Method at Rs. 2,100 lakhs (31 March 2021 - Rs. 2,229 lakhs)

Terms of 0.001% Compulsory Convertible Preference shares of Rs.100 each (CCPS):

- The Company has only one class of Preference shares i.e. Compulsory convertible preference share having a face value of Rs.100/- per each.
- The CCPS shall be convertible into Equity Shares at any time at the option of their holder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

- The CCPS shall convert into Equity Shares of the Company as follows:
- Unless otherwise provided hereunder the CCPS shall convert into the number of Equity Shares (Base Common Shares) which represents the proportion of the share capital of the Company (on a Fully Diluted Basis, post conversion of CCPS and OCDs) obtained by dividing Rs. 5,700 lacs by Adjusted Post Money Valuation;
- Under all circumstances, the aggregate number of Shares into which the CCPS shall convert shall not exceed 53,19,364 Equity Shares.
- The CCPS has been fair valued through profit and loss using Black and Scholes Model - Option Pricing Method at Rs. 5,460 lakhs (31 March 2021 – Rs. 5,779 lakhs).

Terms of Optionally Convertible Debentures(OCD) issued to Tata Capital:

- The Company has issued following Unsecured Optionally Convertible Debentures. Debentures are allotted in two tranches dated 30th June 2021 and 29th October 2021.
- The OCDs shall be convertible to any time at the option of the holder into such number of fully paid Shares in the ratio of one equity shares in lieu of one OCD issued.
- The OCDs shall be converted at any time at The option of the lender.
- The above OCD carry a rate of interest ranging between 13%-15%

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 19 — OTHER NON-CURRENT FINANCIAL LIABILITIES		
Security deposits Received	28.04	121.62
Lease Liability	1,734.13	2,545.04
Total	1,762.18	2,666.66
NOTE 20 — NON-CURRENT PROVISIONS		
Provision for employee benefits:		
Gratuity	126.02	99.71
Compensated absences	94.12	104.53
Total	220.14	204.24
NOTE 21 — DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Others	74.73	82.97
Total	74.73	82.97
NOTE 22 — OTHER NON-CURRENT LIABILITIES		
Security Deposits from Dealers & Distributors	393.25	453.18
Deferred Income	285.80	325.22
Total	679.05	778.40
NOTE 23 — CURRENT FINANCIAL BORROWINGS		
From Banks	6,087.41	7,049.41
Total	6,087.41	7,049.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

From Banks:

A) The Overdraft and Working Capital Demand Loan facilities taken by the Company are availed from HDFC Bank and have been secured by:

I) First pari-passu charge as follows:

- 1) by way of hypothecation on entire current assets of the Company including stock and book debts, present and future.
- 2) by way of equitable mortgage of property of Cravatex Limited (Holding Company) at Nariman point, Mumbai.
- 3) by way of hypothecation on entire movable fixed assets of the Company, both present and future except vehicles.

II) Second pari-passu charge on commercial Office located at 4th Floor Sahas, Prabhadevi, Mumbai of Cravatex Limited (Holding Company).

B) The Overdraft and Working Capital Demand Loan facilities taken by the Company are availed from Saraswat Co-operative Bank Ltd (Scheduled Bank) and have been secured by:

I) First pari-passu charge as follows:

- 1) by way of hypothecation on the entire current assets of the Company including stock and book debts, present and future.
- 2) by way of equitable mortgage of property of Proline India Limited (now merged with CBL) at No. 70, JC Industrial Estate, Kanakapura Road, Bangalore and Shop No. 768 & 769, at Spencer Plaza, Anna Salai, Chennai. Company is in the process of transferring the title deeds in its name.
- 3) by way of Fixed deposit of Rs 52.79 lacs in the name of M/s Proline Exports Pvt. Ltd. and Corporate Guarantee from M/s Proline Exports Pvt. Ltd for Rs 500 lacs.
- 4) by way of hypothecation of furniture and fixtures and other fixed assets of the Company at various locations.

The above borrowings carry a rate of interest ranging between 10% to 12%.

** Quaterly stock statement note

Quarterly Statements filed with the banks are in agreement with the books of accounts. The Company is in the process of filing its quarterly returns for the last quarter of the current financial year with the banks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 24 — TRADE PAYABLE		
Due to Micro and small enterprises	1,686.48	520.58
Due to Creditors other than Micro and small enterprises	2,327.82	1,776.53
Total	4,014.29	2,297.11

Trade Receivables ageing schedule

As at 31st March 2022

Particulars	MSME	Others	Total
Less than 1 year	1,686.48	2,132.42	3,818.90
1-2 years	—	93.35	93.35
2-3 years	—	62.51	62.51
More than 3 years	—	39.54	39.54
Total	1,686.48	2,327.82	4,014.30

As at March 31, 2021

Particulars	MSME	Others	Total
Less than 1 year	520.57	1,623.44	2,144.01
1-2 years	0.01	76.39	76.40
2-3 years	—	46.59	46.59
More than 3 years	—	30.11	30.11
Total	520.58	1,776.53	2,297.12

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 25 — OTHER CURRENT FINANCIAL LIABILITIES		
Security deposits Received		
For rental of property	213.34	100.90
Employee benefits payable	51.70	189.94
Lease Liability	810.90	700.75
Other liabilities	1,960.82	2,555.36
Unpaid Dividend	3.79	5.20
Interest accrued but not due	37.88	30.30
Total	3,078.43	3,582.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
NOTES — Contd.

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 26 — OTHER CURRENT LIABILITIES		
Advances received against supplies and services	510.66	471.91
Unearned revenue	40.18	65.48
Deferred Income	19.29	19.03
Others (including statutory dues)	6,191.36	7,547.47
Total	6,761.50	8,103.89
NOTE 27 — CURRENT PROVISIONS		
Gratuity	97.63	85.43
Compensated absences	14.52	21.40
Provision for Sales Return	293.90	326.26
Provision for warranty	—	25.90
Provision for tax	201.90	173.82
Total	607.95	632.81
NOTE 28 — REVENUE FROM OPERATIONS		
Particulars	2021-22 Rupees in Lacs	2020-21 Rupees in Lacs
Sale of products	59,222.12	52,970.38
Sale of services	195.33	207.78
Other operating income	15.92	9.51
Total	59,433.37	53,187.67
NOTE 29 — OTHER INCOME		
Interest Income	11.29	44.75
Interest income on fair valuation	87.16	77.29
Dividend Income	—	6.48
License fees (Rental income)	350.53	314.67
Profit on sale of investments	17.71	34.12
Mark to Market loss on outstanding derivative contracts	0.75	0.75
Fair value gain on current investments measured at FVTPL	6.85	—
Miscellaneous Income	518.90	953.27
Total	993.19	1,431.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Particulars	2021-22 Rupees in Lacs	2020-21 Rupees in Lacs
NOTE 30 — CHANGE IN INVENTORIES OF STOCK-IN-TRADE		
Opening stock		
Stock-in-trade (including goods in transit)	8,413.04	8,020.17
Stores and spares	87.35	141.16
Closing stock		
Stock-in-trade (including goods in transit)	(9,357.15)	(8,413.04)
Stores and spares	(77.13)	(87.35)
Increase/(decrease) in stock	<u>(933.89)</u>	<u>(339.06)</u>
NOTE 31 — EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	6,243.81	6,199.03
Contributions to:		
Provident, Family Pension and other Funds	190.30	191.66
Staff welfare expenses	37.48	25.64
Total	<u>6,471.59</u>	<u>6,416.33</u>
NOTE 32 — FINANCE COST		
Interest expense on borrowings & Others	1,238.73	1,342.24
Other Interest Expenses	109.04	89.90
Total	<u>1,347.77</u>	<u>1,432.14</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 33 — OTHER EXPENSES		
Packing materials consumed	84.55	32.08
Electricity charges	80.50	72.73
Warehouse expenses	1,093.58	891.33
Rent	655.43	722.91
Insurance	166.42	126.91
Rates and taxes	149.79	68.81
Printing and stationery	29.99	30.36
Communication expenses	74.08	137.62
Repairs and maintenance	268.14	129.69
Advertisement and sales promotion	1,969.78	3,030.78
Sublicence fees	1,729.91	1,360.26
Travelling and conveyance	266.72	188.80
Commission and brokerage	1,395.16	1,212.06
Transportation and octroi charges	507.83	407.23
Legal and Professional Charges	1,872.45	1,463.85
Bank Charges not related to borrowings	69.10	41.99
Fair value loss on debt instruments measured at FVTPL	(447.90)	67.90
Directors fees	24.20	11.00
Payment to auditors	71.00	74.92
Bad Debts	(86.85)	7.13
Provision for Bad & Doubtful Debts	752.15	628.99
Loss on sale of Property, Plant and Equipment	3.94	89.66
Foreign exchange fluctuation (Net)	26.31	2.76
Charity & Donation (CSR Activities)	10.20	12.00
Other expenses	906.60	763.83
Total	11,673.08	11,575.60
PAYMENT TO AUDITORS		
Statutory Audit fees	69.00	72.92
Tax Audit Fees	—	—
Others	2.00	2.00
Total	71.00	74.92

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Sr. No.	Particulars	Reference No	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 34 — CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)				
A. Other money for which the Company is contingently liable				
1)	Demands under Wealth Tax Act	1	51.25	51.25
2)	Demands under Income Tax Act	2, 3 & 4	54.90	25.17
3)	Demands under VAT/CST Act	5 & 6	—	202.73
4)	Demands under Customs Act	7 & 8	133.50	133.50
Total			239.65	412.65

Notes:

- Demands for Wealth Tax for the assessment years 1997-98 & 1998-99 amounting to Rs.51,25,378 was raised by the Tax authorities in earlier years which had been disputed by the Company and appeals filed with the Hon. High Court, Mumbai. The Company however deposited the demanded amounts in full with the tax authorities.
- For the assessment years 2000-2001, 2002-2003 and 2003-2004 the Income-tax Appellate Tribunal had given relief of Rs.8,74,254 which had been accounted for in an earlier year. The tax authorities had subsequently filed an appeal with the Hon. High Court, Mumbai against the relief of Rs.8,74,254. The matter was set aside by Hon. High Court, in an earlier year and the matter was restored to the Tribunal for disposal. The matter is still pending with the tax authorities.
- The tax authorities had raised a demand for the assessment year 2013-14 u/s 143 (3) for Rs.16,43,120. The company has disputed this demand and has filed an appeal with the Commissioner (Appeals) of Income- tax Mumbai against this demand.
- During the year, Company has received order u/s 270A of the Income tax Act, 1961 for levy of penalty of INR 29.73 lakhs (31 March 2021- INR Nil).Company has filed appeal to Commissioner (Appeals) against the said order.
- VAT assessment order of Karnatak state for FY 2015-16 was passed raising demand totalling to Rs.15,35,487/- (Tax-Rs.7,59,150/-, Interest-Rs.7,00,422/-, Penalty Rs.75,915/-).The Company has filed an appeal against this order and paid full amount of Rs.15,35,487/-. Appeal is decided in favour of the company & amount paid of Rs.15,35,487/- has been refunded during the current financial year.
- CST assessment order of Delhi location of the company for FY 2016-17 was passed raising demand totalling to Rs.1,87,36,493/- (Tax-Rs.1,13,64,635/-, Interest-Rs.73,71,858/-).The Company has filed an appeal against this order & appellate authority has granted full relief.
- Demand of Rs.13,50,000 raised in an earlier year by the customs authorities for goods imported had been disputed by the Company against which the full amount had been deposited under protest. The matter is still pending with the Customs authorities.
- Bond for Rs.1.20 crore executed with the Customs authorities for demand raised by the authorities in an earlier year which had been disputed and challenged by the Company. This Bond is to remain in force till finalisation of the value by the Customs authorities of the goods imported by the Company.
- The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshni Limited & others v/sEPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.
In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

NOTE 35 — GUARANTEES/COMMITMENTS

- The Company has issued corporate guarantees to the extent of INR 29 lakhs (31 March 2021 - INR 19 lakhs)
- Letter of credit outstanding to the extent of INR 1,372 lakhs (31 March 2021 - INR 1,224 lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
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Particulars	For the year 31st March 2022 Rs. in lacs	Year ended 31st March 2021 Rs. in lacs
NOTE 36 — INCOME TAXES		
A. Tax expense recognised in profit and loss account		
Current tax		
Current tax	389.03	445.04
Excess Tax Provision for Earlier years	(246.94)	(319.76)
Deferred Tax (net)		
Deferred tax (credit) / charge	(7.73)	(39.50)
Tax expense for the year	134.36	85.78

Particulars	Year ended 31st March 2022 Rs. in lacs	Year ended 31st March 2021 Rs. in lacs
B. Reconciliation of Effective Tax Rate:		
Profit before tax	(1,854.39)	(2,975.28)
Applicable Tax Rate	25.71%	25.71%
Income tax expense calculated at above rate	—	—
Tax effect of profit arising to subsidiary company	231.01	282.04
Effect of deductible / non-deductible expense	150.29	123.50
Adjustments for current tax of prior period	(246.94)	(319.76)
Income tax expense recognised in profit and loss	134.36	85.78

NOTE 37 — MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

Particulars	31st March 2022 Rs. in lacs	31 March 2021 Rs. in lacs
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	1,686.48	520.58
Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	—	—
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	47.00	10.27
Amount of interest accrued and remaining unpaid at the end of the accounting year	57.27	10.27

Principal amount due to Micro and Small Enterprises amounts to Rs. 1,686.48 lakhs (March 2021 - Rs. 521.58 lakhs) and interest overdue on the same amounts to Rs. 57.27 lakhs (March 2021 - Rs. 10.27 lakhs). During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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NOTE 38 — EMPLOYEE BENEFITS

a. Defined Benefit Plans:

Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Group and is in accordance with the rules of the Group for payment of gratuity.

Inherent Risk on above:

The plan is defined in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Group to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

Particulars	For the year 31st March 2022 Gratuity Rs. in lacs	For the year 31st March 2021 Gratuity Rs. in lacs
(i) Change in Defined Benefit Obligation		
Balance at the beginning of the year	344.59	521.60
Adjustment of:		
Current Service Cost	32.77	47.14
Benefit paid directly by the employer	(18.49)	(136.56)
Liability transferred in/(out)	—	—
Past Service cost	—	—
Interest Cost	22.62	35.01
Actuarial (gains)/losses recognised in Other Comprehensive Income:		
— Change in Financial Assumptions	(8.74)	3.17
— Change in Demographic Assumptions	(0.06)	—
— Experience Changes	44.88	28.66
Benefits Paid	(48.62)	(114.88)
Balance at the end of the year	368.97	384.15
(ii) Change in Fair value of assets		
Balance at the beginning of the year	163.36	298.86
Assets transferred in/(out)	—	—
Expected Return on Plan Assets excluding interest income	7.75	(16.88)
Interest Income	10.73	19.81
Contributions by the employer	18.98	12.10
Re-measurements due to:		
Actual Return on Plan Assets less interest on Plan Assets	—	—
Employer contributions	—	—
Benefits payments from plan assets	(48.62)	(114.88)
Balance at the end of the year	152.20	199.00
(iii) Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the funded defined benefit obligation at the end of the period	(368.97)	(384.15)
Fair Value of Plan Assets	152.20	199.00
Net Asset / (Liability) in the Balance Sheet	(216.77)	(185.15)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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Particulars	For the year 31st March 2022 Gratuity Rs. in lacs	For the year 31st March 2021 Gratuity Rs. in lacs
(iv) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	33.05	47.42
Net Interest Cost	11.89	14.91
Past Service Cost	—	—
Amount charged to the Statement of Profit and Loss	44.94	62.33
(v) Re-measurements recognized in Other Comprehensive Income (OCI):		
Changes in Financial Assumptions	(8.74)	3.01
Changes in Demographic Assumptions	—	—
Experience Adjustments	44.82	28.82
Actual return on Plan assets less interest on plan assets	(7.75)	16.88
Amount recognized in Other Comprehensive Income (OCI)	28.33	48.72
(vi) Maturity Profile of Defined Benefit Obligation:		
Within the next 12 months	27.18	50.95
Between 1 and 5 years	139.62	118.88
Between 6 and 10 years	185.23	189.17
11 Years and above	319.81	299.75
(vii) Sensitivity analysis for significant assumptions:*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	368.97	384.15
1% increase in discount rate	(24.36)	(23.97)
1% decrease in discount rate	27.66	27.23
1% increase in salary escalation rate	27.64	26.24
1% decrease in salary escalation rate	(24.78)	(20.83)
1% increase in employee turnover rate	1.12	0.52
1% decrease in employee turnover rate	(1.30)	(0.65)
The major categories of plan assets as a percentage of total plan:		
Insurer Managed Funds	152.20	199.00
Actuarial Assumptions:		
Discount Rate (p.a.)	7%	7%
Expected Return on Plan Assets (p.a.)	7%	7%
Turnover Rate	20% and 7%	20% and 7%
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Salary Escalation Rate (p.a.)	6.00%	6.00%
Retirement age	60 and 70	60 and 61
Weighted Average duration of Defined benefit obligation (years)	8	8

* The Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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Basis used to determine Expected Rate of Return on Plan Assets: The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary Escalation Rate: The past experience and industry practice considering promotion and demand and supply of employees.

Asset Liability matching strategy: The money contributed by the Group to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The insurance Group in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Group to fully prefund the liability of the Plan. The Group's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

This Note of defined benefit plan includes disclosures of liabilities pertaining to Holding Company & its Indian Subsidiary.

b. Defined Contribution Plans:

Amount recognized as an expense and included in Note 31 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is:

Particulars	31st March 2022 Rs. in lacs	31st March 2021 Rs. in lacs
Provident, Family Pension and other Funds	185.90	186.17
Employees State Insurance Scheme	4.40	5.49
Total	190.30	191.66

Compensated Absences:

The liability towards compensated absences for the year ended 31 March 2022 is based on actuarial valuation carried out by using Projected Accrued Benefit Method amounting to Rs.108.64 lacs (31 March 2021 - Rs.125.93 lacs).

a. Financial assumptions:

Particulars	31st March 2022 Rs. in lacs	31st March 2021 Rs. in lacs
Discount Rate (p.a.)	6.90%	6.57%
Salary Escalation Rate (p.a.)	6.00%	6.00%

b. Demographic assumptions:

Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Turnover Rate	20% and 7%	20% and 7%
Leave Availment ratio	2%	2%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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NOTE 39 — RELATED PARTY DISCLOSURES

(A) List of Related Parties

Name of Related Parties	Nature of Relationship
R.B Fitness & Trading Private Limited	Holding Company

(B) List of Related Parties where control exists:

Name of Related Parties	Nature of Relationship
SD Enterprises	Director's relative interest
Proline Exports Private Limited	Enterprises over which Directors are able to exercise significant influence
Tecfin Consultancy Services LLP	
Crav Apparels Private Limited	
Rudy and Sons	

(C) Key Management Personnel:

Name of Related Parties	Nature of Relationship
Mr. Rajesh Batra	Chairman & Managing Director
Mr. Rohan Batra	Director
Mr. Rajiv Batra	Managing Director of Subsidiary Company
Mr. Divakar Kamath	Director of Wholly Owned Subsidiary Company
Mr. S.D. Israni	Executive Director & Chief Financial Officer
Ms. Pheroza Jimmy Bilimoria	Independent Director
Mr. N. Santhanam	Independent Director
Mr. Sandeep Mukim	Independent Director
Ms. Rupa Vora	Director of Subsidiary Company
Mr. Sumit Nindrajog	Chief Executive Officer of Subsidiary Company
Mr. Niten Lalpuria	Director of Subsidiary Company
Mr. Anuj Rakhiyan	Director of Subsidiary Company
Mr. Sanjay Mariwala	Director of Subsidiary Company
Mr. Nakul Toshniwal	Director of Subsidiary Company
Mr. N. R. Mahalingam	Director of Subsidiary Company (till 26th June, 2021)
Mr. P. Rudran	Director of Wholly Owned Subsidiary Company
Mr. Ankur Sharma	Chief Financial Officer of Subsidiary Company (till 03.06.2021)
Mr. H. S. Devaprasad	Chief Financial Officer of Subsidiary Company (from 26.06.2021)
Mr. Sudhanshu Namdeo	Company Secretary
Ms. Apurva Parulekar	Company Secretary of Subsidiary Company

Relatives of KMP:

Mrs. Amrita Mukim	Wife of Mr. Sandeep Mukim
Mrs. Aparna Devaprasad	Wife of Mr. H. S. Devaprasad

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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(D) The following transactions were carried out with the related parties in the ordinary course of business:

Name of Related Parties	31 March 2022 Rs. in lacs	31 March 2021 Rs. in lacs
Combined Office Administrative Charges		
Tecfin Consultancy Services LLP	3.50	4.63
Consultancy charges		
Mrs. Amrita Mukim (relative of KMP)	4.26	17.04
Mrs. Aparna Devaprasad (relative of KMP)	2.90	14.41
Purchase of stock in trade		
Crav Apparels Private Limited	34.66	34.16
Sale of stock in trade		
Crav Apparels Private Limited	87.45	125.33
Fees, expenses and Subsistence		
Rudy & Company	143.23	146.02
Director Sitting Fee	25.80	14.30
(E) Outstanding balances:		
Name of Related Parties	31 March 2022 Rs. in lacs	31 March 2021 Rs. in lacs
Trade Payables		
— Crav Apparels Private Limited	—	93.49
(F) Compensation of Key Management Personnel of the Group:		
Short Term Employee Benefits	1,346.81	873.85
Other Long Terms Benefits	22.48	18.61
Total Compensation	<u>1,369.29</u>	<u>892.46</u>

Terms and condition of transaction with related parties:

All related party transactions entered during the year are in ordinary course of the business and are on arm's length basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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Particulars	As at 31st March 2022 Rupees in Lacs	As at 31st March 2021 Rupees in Lacs
NOTE 40 — FINANCIAL INSTRUMENTS		
a. Classification of Financial Assets and Liabilities:		
Financial assets at Amortized cost:		
Loans (Non Current)	130.89	577.27
Trade Receivables	13,320.56	14,305.11
Cash and Cash Equivalents	3,792.41	3,524.69
Other Bank Balances	4.76	82.62
Other Non Current Financial Assets	657.50	29.08
Other Current Financial Assets	727.48	759.91
Financial assets at Fair Value through P&L:		
Investment (Current)	459.70	1,479.38
Total	19,093.30	20,758.06
Financial liabilities at Amortized cost:		
Trade Payables	4,014.29	2,297.11
Cash Credits/Working Capital Borrowings	6,087.41	7,049.41
Other Current Financial Liabilities	3,078.43	3,582.45
Non-Current Borrowings	—	—
Other Non Current Financial Liabilities	1,762.18	2,666.66
75,75,000 (2021 – 75,75,000;), 4% Non-convertible Cumulative Redeemable Preference Shares – Level 3	402.24	398.83
Financial liabilities at FVTPL:		
Borrowings – Non-current	7,560.00	8,007.90
Total	22,904.55	24,002.37

Carrying amount of Investment, Trade Receivables, Cash and Cash Equivalent, Bank balances, Other financial Assets, Trade payables and Other financial liabilities as at 31st March, 2022 & 31st March, 2021 approximate the Fair Value because of their short term nature. Difference between carrying amount and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant each of year presented.

NOTE 41 — FAIR VALUE MEASUREMENT

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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Particulars	As at 31st March 2022 Rs. in lacs	As at 31st March 2021 Rs. in lacs
Financial Asset at Fair Value through profit and loss:		
Current Investments – Level 1	459.70	1,479.38
Total	459.70	1,479.38
Financial Liabilities at Fair Value through profit and loss:		
Optionally Convertible Debentures (OCD) – Level 3	2,100.00	2,228.58
Compulsory Convertible Preference Shares (CCPS) – Level 3	5,460.00	5,779.33
Total	7,560.00	8,007.90

The management has assessed that cash and bank balances, trade payables, and other financial asset and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

The fair values of the quoted units of mutual fund schemes are based on net asset value at the reporting date.

The fair value of Optionally Convertible Debentures (OCD) and Compulsory Convertible Preference Shares (CCPS) is determined using Black and Scholes Option Pricing Method.

The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation Technique	Significant unobservable inputs
Optionally Convertible Debentures (OCD)	Option Pricing Method	Equity value of the Subsidiary
Compulsory Convertible Preference Shares (CCPS)	Option Pricing Method	Equity value of the Subsidiary

NOTE 42 — FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of trade payables, borrowings and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include Investments, Loans, Trade receivables and Other receivables, Cash and Cash Equivalents, Other Bank Balances that directly derive from its operations.

The Group's activities are exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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A) Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

a) Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fila and fitness and exports of FILA and fitness and exports of FILA.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards contracts to hedge exposure to foreign currency risk.

Outstanding Foreign Currency Exposure (gross)	As at 31st March 2022 Rs. in lacs	As at 31st March 2021 Rs. in lacs
Trade Receivables		
USD	—	0.08
Trade Payables		
USD	6.43	7.35
CNY	—	—

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on loss before tax:

Particulars	As at 31st March 2022 Rs. in lacs	As at 31st March 2021 Rs. in lacs
USD	4.85	5.27
CNY	—	—

Note: If the rate is decreased by 100 bps loss will decrease by an equal amount.

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b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Particulars	As at 31st March 2022 Rs. in lacs	As at 31st March 2021 Rs. in lacs
(a) Fixed Rate		
Borrowings	8,751.20	7,049.41
(b) Fluctuating Rate		
Borrowings	—	—
Interest rate sensitivities for unhedged exposure (impact on increase in 100 bps):		
Borrowings	87.51	70.49

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily Trade Receivables), investing and financing activities including Mutual Fund Investments, Investment in Debt Securities, Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments.

Trade Receivables:

Trade receivables are consisting of a large number of customers. The Group has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group allows credit period ranging from 60 days to 180 days, subject to reasonableness of the receivable. There is no concentration of customers and receivable amount.

Particulars	Rs. in lacs Amount
Movement of allowance for doubtful debts	
Balance as 31 March 2020	152.79
Add: Provisions	628.99
Balance as 31 March 2021	781.77
Add: Provisions	752.15
Balance as 31 March 2022	1,533.92

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Investments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only based on Investment Policy of the Group. Investments primarily include investment in units of mutual funds. These Mutual Funds and Counterparties have low credit risk.

C) Liquidity Risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Rs. in lacs

	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
As at 31st March 2022				
Trade Payables	4,014.29	—	—	4,014.29
Borrowings (including current maturities of long term debt)	6,087.41	—	10,626.03	16,713.44
Other Financial Liabilities	3,078.43	1,762.18	—	4,840.61
Investments	459.70	—	—	459.70
As at 31st March 2021				
Trade Payables	2,297.11	—	—	2,297.11
Borrowings (including current maturities of long term debt)	7,049.41	—	8,416.74	15,466.15
Other Financial Liabilities	3,582.45	2,666.66	—	6,249.11
Investments	1,479.38	—	—	1,479.38

NOTE 43 — CAPITAL MANAGEMENT

The Group's objectives when managing capital are to

- maximise shareholder value and provide benefits to other stakeholders and
- maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

The Group monitors capital using debt-equity ratio, which is total debt and bank deposits less investments divided by total equity.

Particulars	As at 31st March 2022 Rs. in lacs	As at 31st March 2021 Rs. in lacs
A. Total Debt	16,713.44	15,466.15
B. Cash and Marketable securities	4,256.87	5,086.69
C. Net Debt (A-B)	12,456.57	10,379.45
D. Total Equity	(4,976.63)	(2,828.24)
Debt to Equity (Net) (C/D)	(2.50)	(3.67)

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NOTES — Contd.

In addition the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Group and given at Note No. 50.

NOTE 44 — LEASES

The group has taken on lease retail stores, office premises and warehouses. The lease typically run for the period between 12 month to 60 months . Previously these leases were classified as operating leases under Ind AS 17.

Information about leases for which the company is lessee is presented below:

Particulars	As at 31st March 2022 Rs. in lacs	As at 31st March 2021 Rs. in lacs
(A) Right of use assets		
Opening Balance	3,047.37	3,908.15
Additions	—	112.70
Disposal / Derecognized during the year	847.11	973.48
Closing Balance	2,200.25	3,047.37
(B) Accumulated depreciation		
Opening Balance	1,609.87	717.70
Depreciation expense	825.43	892.16
Disposal / Derecognized during the year	—	—
Opening Balance	2,435.30	1,609.87
(C) Lease liabilities		
Opening Balance	3,245.49	4,120.97
Addition	—	123.64
Accredition of interest	335.01	424.27
Payments	1,020.28	1,071.60
Adjustments for Disposals	15.50	(351.78)
Closing Balance	2,575.72	3,245.49
Current	810.90	700.75
Non-current	1,734.13	2,545.04
(D) Amounts recognised in profit and loss		
Depreciation expense of right-of-use assets	825.43	892.16
Interest expense on lease liabilities	335.01	424.27
Total	1,160.45	1,316.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 45 — STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

Name of the entity	Country of incorporation	% of voting power as at 31st March 2022	% of voting power as at 31st March 2021	Net Assets (Total assets minus total liabilities)		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (Rs. in Lacs)	As % of consolidated net assets	Amount (Rs. in Lacs)	As % of consolidated other comprehensive income	Amount (Rs. in Lacs)	As % of Total comprehensive income	Amount (Rs. in Lacs)
1 Cravatex Ltd.	India	—	—	-84.74%	4,217.04	-11.67%	232.15	23.55%	(5.32)	-11.24%	226.83
2 Cravatex Brands Ltd.	India	99.997%	99.997%	82.65%	(4,112.99)	167.69%	(3,334.94)	76.45%	(17.27)	166.13%	(3,352.21)
3 BB UK Ltd.	UK	100.000%	100.000%	-146.12%	7,272.00	-68.78%	1,367.86	—	—	-67.79%	1,367.86
4 Total Eliminations	—	—	—	248.21%	(12,352.68)	12.76%	(253.80)	—	—	12.90%	(260.30)
Total				100.00%	(4,976.63)	100.00%	(1,988.75)	100.00%	(22.59)	100.00%	(2,017.85)

NOTE 46 — RECENT STANDARDS

Recent Accounting Developments Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- (a) Ind AS 109: Annual Improvements to Ind AS (2021)
- (b) Ind AS 103: Reference to Conceptual Framework
- (c) Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- (d) Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 47 — SEGMENT INFORMATION

The Group has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM')

A) Sports – Trading of footwear, apparels and accessories

B) Wellness – Gym equipments and accessories

Particulars	For the year Ended 31 March 2022				For the year Ended 31 March 2021			
	Sports	Wellness	Unallocable	Total	Sports	Wellness	Unallocable	Total
Segment Revenue (Revenue from Sales, Services & Other Operating Revenue)								
Revenue from Sale of products	57,206.17	1,772.38	244.24	59,222.79	50,785.06	1,954.68	230.71	52,970.45
Revenue from Services	—	195.33	—	195.33	—	207.78	—	207.78
Other Operating Revenue	—	15.24	—	15.24	5.35	4.10	—	9.44
Total Revenue(A)	57,206.17	1,982.96	244.24	59,433.37	50,790.41	2,166.55	230.71	53,187.67
Less: Inter Segment Revenue if any (B)	—	—	—	—	—	—	—	—
Total Segment Revenue(C=A-B)	57,206.17	1,982.96	244.24	59,433.37	50,790.41	2,166.55	230.71	53,187.67
Segment Results (Profit / (Loss) Before Interest, Depreciation & Tax)	346.10	(6.04)	(202.96)	137.10	(546.76)	(247.23)	(436.24)	(1,230.23)
Less: Exceptional Items	—	—	—	—	—	—	—	—
Segment Results (Profit / (Loss) Before Interest, Depreciation & Tax)	346.10	(6.04)	(202.96)	137.10	(546.76)	(247.23)	(436.24)	(1,230.23)
Less: Depreciation & Amortization	(1,364.45)	(147.39)	(125.07)	(1,636.91)	(770.43)	(114.59)	(859.21)	(1,744.23)
Total Segment Result(D)	(1,018.35)	(153.43)	(328.03)	(1,499.81)	(1,317.19)	(361.82)	(1,295.45)	(2,974.46)
Less: Finance Costs	(539.12)	(35.47)	(773.18)	(1,347.77)	(604.99)	(28.27)	(798.88)	(1,432.14)
Add: Other Income	747.93	0.37	244.89	993.19	—	—	1,431.32	1,431.32
Loss Before Tax	(809.54)	(188.53)	(856.32)	(1,854.39)	(1,922.18)	(390.09)	(1,101.14)	(2,975.28)
Tax Expenses								
— Current Tax	—	—	(389.03)	(389.03)	—	—	(445.04)	(445.04)
— Deferred Tax Charge/(Credit)	—	—	7.73	7.73	—	—	39.50	39.50
— Taxes of Earlier years	—	—	246.94	246.94	—	—	319.76	319.76
Profit for the year	(809.54)	(188.53)	(990.68)	(1,988.75)	(1,922.18)	(390.09)	(748.79)	(3,061.06)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

Segment Reporting Format for Business Segment as per IND AS 108

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Segment Assets		
— Sports	33,268.93	34,143.48
— Wellness	1,175.64	1,442.71
Add: Unallocable Segment Assets	2,014.61	2,924.30
Total Assets	36,459.18	38,510.49
Segment Liabilities		
— Sports	17,229.22	17,870.09
— Wellness	1,113.81	1,241.20
Add: Unallocable Segment Liabilities	15,568.70	14,703.38
Total Liabilities	33,911.73	33,814.68

The geographical information analyses the group's revenues and non-current assets by the company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
A. Revenue from operations		
— Domestic	15,608.44	13,084.73
— International	43,824.92	40,102.94
Total	59,433.37	53,187.67
B. Non-current assets		
— Domestic	6,440.05	8,016.29
— International	556.56	298.52
Total	6,996.61	8,314.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 48 — REVENUE FROM CONTRACT WITH CUSTOMER

A. Disaggregation of revenue

The management determines that the segment information reported under Note 47 "Segment reporting" is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. Following table provides a reconciliation of revenue reported under segment information and revenue recognised in Statement of Profit and Loss as revenue from contracts with customers:

Particulars	Sports	Wellness	Unallocable	Rs. in Lacs
				Total
As at 31.03.2022				
Segment revenue	57,206.17	1,982.96	244.24	59,433.37
Adjustments	—	—	—	—
Total revenue from contract with customers	57,206.17	1,982.96	244.24	59,433.37
As at 31.03.2021				
Segment revenue	50,790.41	2,166.55	230.71	53,187.67
Adjustments	—	—	—	—
Total revenue from contract with customers	50,790.41	2,166.55	230.71	53,187.67

B. Timing of Revenue recognition:

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
— Goods/Services transferred at a point in time	59,238.04	52,979.89
— Service transferred over time	195.33	207.78
Total revenue from contract with customers	59,433.37	53,187.67

C. Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Trade receivables (Refer note 9)	13,320.56	14,305.11
Deferred Revenue (Refer note 26)	40.18	65.48

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
NOTES — Contd.
Significant changes in contract liabilities during the year:

Particulars	For the year ended 31st March 2022 Rs. in Lacs	For the year ended 31st March 2021 Rs. in Lacs
Opening Balance of Unearned revenue	65.48	167.17
Less: revenue recognised that was included in the contract liability balance at the beginning of the period	(57.70)	(138.83)
Add: revenue transferred unearned revenue	31.58	37.14
Closing Balance of Unearned revenue	39.36	65.48

D. Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Revenue as per contracted price	63,862.46	59,940.99
Adjustments		
Sales return (Incl provision for sales return)	(2,637.49)	(2,558.96)
Discounts	(1,791.60)	(4,194.36)
Revenue from contract with customers	59,433.37	53,187.67

Particulars	For the year 31st March 2022 Rs. in Lacs	For the year 31st March 2021 Rs. in Lacs
NOTE 49 — EARNINGS PER SHARE (EPS)		
Basic / Diluted EPS		
(i) Net Profit / (Loss) attributable to Equity Shareholders	(1,988.75)	(3,061.06)
(ii) Weighted average number of Equity Shares outstanding (Nos.)	2,584,160	2,584,160
Basic / Diluted Earnings Per Share (i/ii)	(76.96)	(118.45)

NOTE 50 — RATIOS

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 50 — RATIOS

Sr. No.	Name of the ratio	Formula	As at 31st March 2022	As at 31st March 2021	% variance	Explanation for variation by more than 25%
(a)	Current Ratio (in times)	Current assets/ Current liability	1.43	1.39	3%	Change is marginal.
(b)	Debt Equity ratio (in times)	Total debt less current investments & Cash & Cash equivalent /Equity	(2.50)	(3.70)	-32%	The reason for the same is on account lower net losses as compared to previous year.
(c)	Debt Service Coverage Ratio (in times)	Earnings available for debt service/ Total debt service	0.84	0.14	497%	Change is due to increase in earnings available to debt service while nominal change in debt service.
(d)	Return On Equity Ratio (in %)	Net profit/ Shareholders equity	40%	108%	-63%	The variation is on account of losses impacting the equity.
(e)	Inventory Turnover Ratio (in times)	Cost of Goods Sold /Average Inventory	4.59	2.90	58%	The variation is on account of lower average inventory holding during current financial year.
(f)	Trade Receivables Turnover Ratio (in times)	Net sales/ Average accounts receivable	4.36	3.50	24.85%	Change is reasonable.
(g)	Trade Payables Turnover Ratio (in times)	Net purchases/ Average trade payables	8.15	8.35	-2%	Change is marginal.
(h)	Net Capital Turnover Ratio (in times)	Net sales/ Working capital	6.78	6.40	6%	Change is marginal.
(i)	Net Profit Ratio (in %)	Net profit/ Net sales	-3%	-6%	-41%	The variation is on account of reduced losses in comparison to previous year with marginal change in net sales.
(j)	Return On Capital Employed (in %)	Earning before interest and tax/ Shareholders Equity	-10%	-55%	-81%	The variation is on account of Improved Earning before interest & tax.
(k)	Return On Investment (in %)	Profit for the year (PAT)/ Total Assets	-5%	-8%	-31%	The improvement is on account of reduced losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 51 — CORPORATE SOCIAL RESPONSIBILITY

The company is covered under section 135 of the Companies Act as its net profit is more than Rs.5 Crores during the immediately preceding financial year. The company spends at least 2% of their average net profits of 3 preceding years in eligible CSR activities. In accordance with Section 135(9) of the Act, since the amount to be spent by the company does not exceed rupees fifty lakhs, constitution of the Corporate Social Responsibility Committee is not required. The company complies with all the responsibilities of CSR committee to be discharged by the board.

Particulars	As at 31st March 2022 Rs. in Lacs	As at 31st March 2021 Rs. in Lacs
Amount required to be spent by the company during the year	8.06	—
Amount of expenditure incurred	10.20	—
Excess at the end of the year	2.14	—
Total of previous year's shortfall	—	—
Reason for shortfall	NA	—
Nature of CSR activities	Refer Note Below	—
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	—
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	—

Note:

Company has decided to donate towards purchase of one Maquet Mid End Ventilator to KHM Hospital, Kandivli under CSR activity.

NOTE 52 — OTHER DISCLOSURES

There are no transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) the company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- (e) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings
 - v. Current maturity of long term borrowings

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

NOTES — Contd.

NOTE 53 — PREVIOUS YEAR'S COMPARABLES

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm with current years classification/disclosure.

NOTE 54 — IMPACT OF COVID 19

In February 2020, the World Health Organization (the "WHO") declared COVID-19 a Public Health Emergency of International Concern. The Company's operations were impacted from 17th March, 2020 till the first week of May 2020 (1st wave) and further from the first week of April 21 to June'21 (2nd wave) as the COVID-19 pandemic had disrupted demand and supply chains across industries, impacting the business of companies. Even though India was impacted by the 3rd wave in Jan-Feb'22 but the same was not disruptive in comparison to the first and second wave of the pandemic. Considering COVID-19 pandemic, the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has at the date of approval of these financial statements used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The Company has considered the impact to the extent known and available currently. Since now the pandemic has scaled down to a great extent and daily caseload has been significantly down, Company is witnessing an increase in demand for all across the channels with some channels achieving pre-COVID level as well. The group is looking forward to more robust demand of its product as the markets and offices are already normalised.

SIGNATURES TO THE NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FROM "1" TO "54"

As per our report of even date

For **GPS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 121344W

H.Y. Gurjar
Partner
Membership No. 032485

Place : Mumbai
Dated : May 30, 2022

For and on behalf of the Board of CRAVATEX LTD.

Rajesh Batra
Chairman & Managing Director
DIN: 00020764

Divakar Kamath
Executive Director & CFO
DIN: 08730430

N. Santhanam
Independent Director
DIN: 00027724

Sudhanshu Namdeo
Company Secretary
Membership No.: A17132

