

02.09.2022

To

BSE Limited,  
PhirozeJeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.

**BSE Scrip Code: 539216**

Dear Sir,

**Sub: Submission of Annual report for the Financial year 2021-22**

Pursuant to Regulation 34(1) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Annual report of the company for the financial year 2021-22 along with Notice of Annual general meeting of the shareholders of the company to be held on 26<sup>th</sup> September, 2022 at 11:30 a.m. at Swaad Mantra Hotels and Restaurants, No.8, College Road, Tirupur – 641 602.

Kindly take note of the same in your records

Thanking You,

Yours Faithfully,

For GARMENT MANTRA LIFESTYLE LIMITED

K. Lakshmi Priya  
Company Secretary  
Membership No: A36135



From the house of.,



**Annual Report  
2021-22**

From the house of.,



**GARMENT MANTRA LIFESTYLE LIMITED**

**(Formerly JUNCTION FABRICS AND APPARELS LIMITED)**

**11<sup>TH</sup> ANNUAL REPORT**

**2021-2022**

From the house of.,



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## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Prem Aggarwal, Managing Director Mrs. Shikha Aggarwal, Whole time Director Mrs. Ashmita Aggarwal, Director Mr. Senthil Rajagopal, Independent Director Mr. Thirumurugan, Independent Director *Mr. Anil Kumar Goyal, Independent Director (Resigned with effect from 05.04.2022)
<b>COMPANY SECRETARY</b>	Mrs. Lakshmi Priya. K
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Aditya Aggarwal
<b>REGISTERED OFFICE</b>	No.15, Murthy's Plaza, Karia Gounder Street, Khaderpet, Tirupur – 641601, TamilNadu, India
<b>FACTORY LOCATION</b>	Shed No.40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666 Tamil Nadu, India
<b>PRINCIPAL BANKERS</b>	Axis Bank, Tirupur
<b>STATUTORY AUDITORS</b>	M/s. N B T and Co, Chartered Accountants, Unit No.411, Gundecha Industrial Complex, Akurli Road, Next to Big Bazar, Kandivali East, Mumbai – 400101
<b>INTERNAL AUDITOR</b>	Ms. Nisha, Tirupur
<b>SECRETARIAL AUDITOR</b>	M/s. GV and Associates Company Secretary in Practice Coimbatore

### **Message from chairman**

**Dear Shareholders,**

As we return back to normalcy after devastating impact of Covid for the year 20-21 and 21-22, there are still after effects which impacted business environment. The Government of India and State Governments have taken several steps to mitigate and prevent the health and life risks arising out of such situation. I hope you and your families are safe during such and taken the Covid doses as prescribed by Government. I would like to thank the entire family of Garment Mantra for everything that you have done to manage and the resilience shown to manage personal life and family and also to serve the company for its success. I would like to assure you that your Company has proved its strength in time and again for last three decades to come out of such similar situations.



### **Resilient performance**

During FY 21221, we posted revenues of ₹ 2038.98 million, marking a growth of 21.58% over FY2021.

Our EBITDA reduced by 52.74% to reach ₹ 552.41 million during the year. Our net profit stood at ₹35.85 million in FY2022, compared to ₹ 78.5 million in FY2021. As a result, our earnings per share (EPS) reached ₹ 3.85 in FY2022. During the year, our team focused on enhancing and expanding our businesses – Garment Mantra, Price Mantra and Poorti. We are focusing built on customer needs with sharper focus by better understanding and analysing their lifestyles and fashion preferences. We are also leveraging the power of the social media to expand the reach of our brands. Our increased presence and strengthening visibility on social media has also allowed us to establish a deeper and connect with our customers and maintain brand recall.

### **Robust business models**

Our three business models are our foundation pillars. Through Garment Mantra, we manufacture and sell knitted fabrics and garments. Price Mantra is the retail chain of Garment Mantra. We sell products matching international quality standards at impressively affordable prices due to our bulk buying strategy. We enable employment for the common masses such as housewives, retired people and even salaried employees by offering them the opportunity to take up a franchise of Price Mantra. Poorti is our third business model. It is the wholesale hub of Garment Mantra.

The idea behind this business is to make luxury apparels, accessories and footwear available to those who cannot afford it. We make these products reach the common masses by purchasing them in bulk below their manufacturing cost.

### **Prioritizing employee well-being and society**

Though the COVID crisis seems to have eased a little, we are not letting our guard down and are continuing to follow all the necessary precautions



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At Garment Mantra, we believe in respecting the needs of every individual, and supporting and empowering them. We are committed to making a difference to those around us. We support 'Vanathukkul Tiruppur', which is an initiative to expand green cover in the city. We also organized blood donation drives.

Your Company is actively involved in the social activities of the Tiruppur Export Association (TEA), Confederation of Indian Industries (CII), Rotary Club and Lion's Club. We also contributed to the setting up of an 80-bed oxygen facility, along with other industrialists. As I conclude, I would like to inform you all that your Company has a bright future as the opportunity and intensity of competition in India's fashion market is going to rise steadily. On the back of our three business models, we are planning to work aggressively to grow the company and garner higher market share.

I would like to express my deepest gratitude to our investors and stakeholders for their continued faith and trust in us. Together, we will take Garment Mantra to newer heights of success.



**NOTICE IS HEREBY GIVEN THAT THE 11<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. GARMENT MANTRA LIFESTYLE LIMITED (CIN: L18101TZ2011PLC017586) WILL BE HELD ON MONDAY, 26<sup>TH</sup> DAY OF SEPTEMBER, 2022 AT 11:30 A.M. AT SWAAD MANTRA HOTELS AND RESTAURANTS TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) as at 31<sup>st</sup> March 2022 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Mrs. Ashmita Aggarwal, (DIN: 07332067), who retires by rotation and, being eligible offers herself for reappointment.

**SPECIAL BUSINESS:**

**3. TO RATIFY THE REMUNERATION PAYABLE TO COST AUDITOR FOR THE FINANCIAL YEAR 2022-23:**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to section 148 (3) and rule 6(2) of the Companies (Cost records and Audit Rules) 2014 and other applicable provisions of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof) the remuneration payable to Mr. C. Sanjeevi, Cost and Management Accountant (Membership No.26512) appointed by the Board of Directors of the company to conduct audit of cost records maintained by the company for the financial year 2022-23 shall not exceed Rs. 75000/- (Rupees Seventy Five Thousand only) plus applicable tax, travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed

**RESOLVED FURTHER THAT** Mr.Prem Aggarwal, Managing Director or Mrs. Shikha Aggarwal, Whole time Director or any one of the director of the company be and is hereby authorized to all such other acts, deeds and things and to sign, seal and deliver all such documents as may be necessary to give effect to the above resolution

**4. TO REVISE THE REMUNERATION PAYABLE TO MR. PREM AGGARWAL(DIN NO: 02050297), MANAGING DIRECTOR OF THE COMPANY:**

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with schedule V and relevant rules made thereunder



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(including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and upon the recommendation of Nomination and Remuneration Committee, the approval of the members be and is hereby accorded for revision in remuneration of Mr. Prem Aggarwal (DIN:02050297), Managing Director of the Company to Rs. 2,00,000/- per month w.e.f April 1, 2022

**Basic Salary:** Rs.2,00,000(Rupees Two lakhs only) per month to be paid subject to deduction of tax at source

**Perquisites:** Rent free furnished accommodation on monthly basis

**RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits of the Company, during the term of the office of Mr. Prem Aggarwal, the remuneration as mentioned shall be paid to him as minimum remuneration subject to necessary compliances of the provisions of the Companies Act, 2013 read with Schedule V.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter, enhance, enlarge, widen or vary such terms & conditions (including remuneration) as it may deem appropriate in relation to Mr. Prem Aggarwal in the capacity of Managing Director of the Company during his remaining tenure commencing from April 01, 2022 on the recommendations of Nomination & Remuneration Committee of the Company and in compliance with the relevant provisions of the Companies Act, 2013 /Income Tax Act, 1961 and/or the rules and regulations made there under and/or such guidelines, as may be announced by the Central Government or regulatory authority, from time to time.

**RESOLVED FURTHER THAT** any Director or the Company secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution including but not limited to filing of necessary forms and returns with the concerned Registrar of Companies and other regulatory authorities, if required

**5. TO REVISE THE REMUNERATION PAYABLE TO MRS. SHIKHA AGGARWAL(DIN NO: 03373965), WHOLE TIME DIRECTOR OF THE COMPANY:**

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with schedule V and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and upon the recommendation of Nomination and Remuneration Committee, the approval of the members be and is hereby accorded for revision in remuneration of Mrs. Shikha Aggarwal (DIN:03373965), Whole time Director of the Company to Rs. 1,00,000/- per month w.e.f April 1, 2022





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Basic Salary: Rs.1,00,000(Rupees One lakh only) per month to be paid subject to deduction of tax at source

**RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits of the Company, during the term of the office of Mrs. Shikha Aggarwal, the remuneration as mentioned shall be paid to her as minimum remuneration subject to necessary compliances of the provisions of the Companies Act, 2013 read with Schedule V.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter, enhance, enlarge, widen or vary such terms & conditions (including remuneration) as it may deem appropriate in relation to Mrs. Shikha Aggarwal in the capacity of Whole-time Director of the Company during her remaining tenure commencing from April 01, 2022 on the recommendations of Nomination & Remuneration Committee of the Company and in compliance with the relevant provisions of the Companies Act, 2013 /Income Tax Act, 1961 and/or the rules and regulations made there under and/or such guidelines, as may be announced by the Central Government or regulatory authority, from time to time.

**RESOLVED FURTHER THAT** any Director or the Company secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution including but not limited to filing of necessary forms and returns with the concerned Registrar of Companies and other regulatory authorities, if required

**6. TO REVISE THE REMUNERATION PAYABLE TO MRS. ASHMITA AGGARWAL(DIN NO: 07332067), DIRECTOR OF THE COMPANY:**

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 197 , 198 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with schedule V and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and upon the recommendation of Nomination and Remuneration Committee, the approval of the members be and is hereby accorded for revision in remuneration of Mrs. Ashmita Aggarwal (DIN:07332067), Director of the Company to Rs. 1,00,000/- per month w.e.f April 1, 2022

Basic Salary: Rs.1,00,000(Rupees One lakh only) per month to be paid subject to deduction of tax at source

**RESOLVED FURTHER THAT** in the event of loss, absence or inadequacy of profits of the Company, during the term of the office of Mrs. Ashmita Aggarwal, the remuneration as mentioned shall be paid to her as minimum remuneration subject to necessary compliances of the provisions of the Companies Act, 2013 read with Schedule V.



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**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter, enhance, enlarge, widen or vary such terms & conditions (including remuneration) as it may deem appropriate in relation to Mrs. Ashmita Aggarwal in the capacity of Director of the Company during her tenure commencing from April 01, 2022 on the recommendations of Nomination & Remuneration Committee of the Company and in compliance with the relevant provisions of the Companies Act, 2013 /Income Tax Act, 1961 and/or the rules and regulations made there under and/or such guidelines, as may be announced by the Central Government or regulatory authority, from time to time.

**RESOLVED FURTHER THAT** any Director or the Company secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution including but not limited to filing of necessary forms and returns with the concerned Registrar of Companies and other regulatory authorities, if required

**7. TO PROVIDE AUTHORISATION UNDER SECTION 186 OF COMPANIES ACT, 2013:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**RESOLVED THAT** in supersession of earlier resolution passed in the Extra Ordinary General meeting of the shareholders dated 24<sup>th</sup> January, 2015 and pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the members of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s) ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) ; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.50,00,00,000 (Rupees Fifty Crores Only) outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** Mr.Prem Aggarwal, Managing Director or any other director or Mrs.Lakshmi Priya. K, Company Secretary of the Company, be and are hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to do all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

**Place: Tirupur  
Date: 30.05.2022**

**By order of the Board  
-Sd-  
Prem Aggarwal  
Managing Director  
DIN No: 02050297**



**NOTES:**

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out the details relating to Special business at the meeting, is provided thereto.
2. A member entitled to attend and vote at Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10.00 a.m. and 4.00 p.m.
6. M/s. Bigshare India Private Limited, Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri(East), Mumbai - 400093 is the Registrar & Share Transfer Agent (RTA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
7. The Notice is sent to all the members, whose name appeared in the Register of Members as on 26<sup>th</sup> August, 2022
8. A brief resume of each of the Director proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated 3 under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards-2 on General meetings are provided as Annexure to this notice
9. Members desirous of seeking information in respect of business to be transacted at the AGM are requested to send their queries to [companysecretary@junctionfabrics.in](mailto:companysecretary@junctionfabrics.in) atleast one week prior to the meeting date. Replies will be provided in respect of such written queries at the meeting or by reply mail.
10. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent enclosing their share certificates to enable consolidation of their shareholdings in one folio.



11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held by them in electronic form.
13. The Notice of the AGM is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the notice of AGM will also be available on the Company's website [www.garmentmantra.com](http://www.garmentmantra.com) and on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM notice is also disseminated on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com). For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: [companysecretary@junctionfabrics.in](mailto:companysecretary@junctionfabrics.in)
14. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including statutory modification(s) or re-enactment(s) for the time being in force), the Company is pleased to provide e-voting facility to its members enabling them to cast their votes electronically through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

#### **INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Governments, Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India etc.
2. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL (Central Depositories Securities Limited).
3. The Members may note that VC/OAVM mode for the scheduled AGM is not available and the meeting is held in physical mode.



4. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.garmentmantra.com](http://www.garmentmantra.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

**THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM:**

The remote e-voting period commences on 23<sup>rd</sup> September, 2022 at 9:00 A.M. and ends on 25<sup>th</sup> September, 2022 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19<sup>th</sup> September, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

The Board of Directors had appointed Mr. G. Vasudevan, Practising Company Secretary, Coimbatore to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting (AGM) in a fair and transparent manner. The members desiring to vote through electronic mode may refer the detailed procedure on e-voting given hereunder.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are



allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-voting **for Individual shareholders holding securities in Demat mode** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<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. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



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

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

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

**Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on “Shareholders” module.
- Now enter your User ID

Manner of holding shares	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.	Folio Number registered with the company. For example, if folio number is 001*** then user ID is 001***





- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the



Resolution.

- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q) Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM AND E-VOTING DURING THE MEETING 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. The EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting



3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Only those Members/ shareholders, who will be present in the AGM 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.
5. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058542/43.

**Shareholders may please note the following:**

1. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
2. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which



voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

3. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS:**

**ITEM: 3**

The Board of Directors of the Company ('the Board') at their meeting held on 30<sup>th</sup> May, 2022, on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. Sanjeevi. C, Cost Accountant to conduct audit of cost records made and maintained by the company pertaining to fabrics and garments for financial year commencing on 1<sup>st</sup> April, 2022 and ending on 31<sup>st</sup> March, 2023 at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes & re-imburement of out-of-pocket expenses.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor requires ratification by the Members.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends the resolution for your approval.

**ITEM : 4, 5 AND 6:**

Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Prem Aggarwal, Managing Director, Mrs. Shikha Aggarwal, Whole time director and Mrs. Ashmita Aggarwal, Director was recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their meeting held on 9<sup>th</sup> May, 2022. The approval of the Members pursuant to Section 197(1) of the Companies Act, 2013 as amended from time to time approval from members is now sought for the remuneration payable to Mr. Prem Aggarwal, Managing Director, Mrs. Shikha Aggarwal, Whole time director and Mrs. Ashmita Aggarwal, Director.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013



with reference to Special Resolution at Item No. 4,5 & 6 is annexed hereto as **Annexure** to this notice

None of the Directors, Key Managerial Personnel of the Company, or their relatives other than Mr. Prem Aggarwal, Mrs. Shikha Aggarwal and Mrs. Ashmita Aggarwal, or their relatives, is in any way concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends Special Resolution set out in item no 4,5 and 6 of the Notice for approval by members.

**ITEM NO:7**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 (“Act”), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 50 Crores, as proposed in the Notice. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.7 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 7 of the accompanying notice.

The Board recommends the resolution at Item no.7 to be passed as Special Resolution.

**Place: Tirupur  
Date: 30.05.2022**

**By order of the Board**

**-Sd-  
Prem Aggarwal  
Managing Director  
DIN No: 02050297**

**ANNEXURE TO NOTICE****Additional information of Director recommended for appointment/re-appointment**

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial Standards on General meeting issued by the Institute of Company Secretaries of India)

<b>Name of the Director</b>	<b>Mrs. Ashmita Aggarwal</b>
Directors Identification Number	07332067
Nationality	Indian
Date of Birth	31.03.1988
Date of appointment on the Board	21.11.2015
Qualification	MBA in Finance and Marketing
Nature of Expertise in functional areas	Administration
Number of Board meetings attended	7 meetings held during the financial year 2021-22
Terms and conditions of appointment/Re-appointment	Mrs. Ashmita Aggarwal was appointed as a Non-executive Director liable to retire by rotation
Shareholding in the company as on 31 <sup>st</sup> March, 2022	15 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se	Mr. Prem Aggarwal - Father, Mrs. Shikha Aggarwal - Mother and Mr. Aditya Aggarwal – Brother
Directorship of other board of director of listed entity as on 31 <sup>st</sup> March, 2022	NIL
Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board	NIL

**STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF COMPANIES ACT, 2013:**

**I. General Information:**

1. Nature of Industry :

The Company is engaged in the business of manufacturing, selling and distribution of fabrics, hosiery garments and providing of related services

2. Date or expected date of commencement of commercial production



The company carries on the garment business since its incorporation

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: - NA
4. Financial performance based on given indicators

Particulars	Amt in Lakhs	
	2021-22	2020-21
Profit (Loss) after tax	148.80	546.57
Net worth	3452.97	3183.50
Earnings per share	1.48	6.76
Turnover	10391.89	10629.68

5. Foreign investments or collaborations, if any. –

As on 31<sup>st</sup> March, 2022, the shareholding of Foreign Institutional investors, Foreign Nationals and Foreign Companies in the company are as under

Particulars	No of Shares	%
Foreign Nationals	641	0.00

## II. Information about the appointee:

1. Background details:

The background details and experience of Mr. Prem Aggarwal and Mrs. Shikha Aggarwal are specified in the Corporate Governance report which forms a part of this notice.

2. Past Remuneration:

The past remuneration paid to Managing Director and Whole time director during the last financial year is as follows:

Name of the Director	Remuneration Paid during 2020-21
Mr. Prem Aggarwal	Rs. 3,75,000/- per month
Mrs. Shikha Aggarwal	Rs. 3,75,000/- per month

3. Recognition or awards:

Mr. Prem Aggarwal, Managing Director has been awarded the following awards:

- Adbul Kalam award for best entrepreneur



Mrs. Shikha Aggarwal, Whole Time Director has been awarded the following awards:

- Abdul Kalam award best service award

4. Job profile and his/her suitability:

- Mr. Prem Aggarwal, Managing Director has rich experience in the field of garment industry for more than 25 years and controls the affairs of the company as a whole under the direction of Board of Directors of the company. He has successfully and in a sustained way contributed to the growth in performance of the company.
- Mrs. Shikha Aggarwal has more than 15 years of experience in the garment industry particularly in reading the requirements of the domestic market and carrying the business of readymade garments with various technical matters thereto.

5. Remuneration proposed:

Details of remuneration proposed for approval of shareholders at this 11<sup>th</sup> Annual general meeting of the company are as provided in the respective resolutions.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The current remuneration being paid to the Managing Director and Whole-time Director(looking at the profile of the position and person) is lower than the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or any other director, if any

Both the directors are the promoters of the company. Mrs. Ashmita Aggarwal, Director is the daughter of Mr. Prem Aggarwal and Mrs. Shikha Aggarwal. Mr. Aditya Aggarwal, Chief Financial officer is the son of Mr. Prem Aggarwal and Mrs. Shikha Aggarwal.

**III. Other Information:**

1. Reasons for loss or inadequate profits

The company has been making profits year on year in both standalone and consolidated basis. However the profits are not sufficient to cover the limit of 11% of Net profit for remuneration to be payable to Managing Director and Whole time director. Since the company is making profits year on year there are no specific steps required to take and proposed to be taken for improvement.





2. Expected increase in productivity and profits in measurable terms

The Company has earned the profit of 148.80 Lakhs during the year ended 31st March, 2022 and the Company is expected to do well in future.

**IV. Disclosures:**

The disclosures as required on all elements of remuneration package such as salary, benefits, etc. have been made in the shareholders resolution.

The Board recommends the Resolutions as set out at Item no.4 and 5 of the Notice as Special Resolutions, for approval of the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Directors for their respective appointments, are in any way concerned or interested in the Resolutions as set out at Item nos. 4 and 5 of the Notice except to the extent of their shareholding, if any, in the Company

**DIRECTORS REPORT**

To

The Members,

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report of your Company together with the audited Standalone and Consolidated Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2022.

**1. FINANCIAL RESULTS:**

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 2021-22	Previous Year 2020-21	Current Year 2021-22	Previous Year 2020-21
Income from Operations	10,391.89	10,629.68	20389.88	16,770.14
Gross Receipts (including other Income)	10,410.55	10,646.30	20411.45	16,788.70
Total Expenditure before Interest and Depreciation	10,023.37	9,694.30	19751.23	15,266.27
Less: Interest and Financial Charges	158.12	171.62	96.42	353.53
Less: Depreciation and Amortization	32.84	28.34	107.81	70.36
Profit/(Loss) before taxation for the year	196.22	752.04	456.06	1,098.54
Less: Current tax Expenses	45.88	207.76	92.08	310.59
Less: Deferred Tax Liability/Asset	1.62	(2.30)	(3.62)	(5.32)
Excess/(Shortfall) Prov. For Tax in P.Y.	0.00	2.54	9.12	8.19
Profit/(Loss) after taxation for the year	148.80	546.57	358.48	785.08
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to Profit or Loss	120.67	111.80	28.41	(11.35)
Total Comprising Profit/loss and other Comprehensive Income for the period	269.47	658.37	386.89	773.73



**2. PERFORMANCE OF THE COMPANY:**

During the year under review, the Company has earned sales income of Rs. 10,391.89 lakhs (Previous year Rs. 10,629.68 Lakh) and other income Rs. 18.66 Lakhs/- (Previous year Rs. 16.62 lakhs) on standalone basis. After providing depreciation, finance charges and tax the Company has earned Net profit Rs. 148.80 Lakhs (Previous year company earned Net profit Rs. 546.57 Lakhs).

On a consolidated basis, the company has earned revenue of Rs. 20,411.45 lakhs (Previous year Rs. 16,788.70 lakhs) and net profit of Rs. 358.48 Lakhs (Previous year Rs. 785.08 lakhs).

**3. DIVIDEND:**

In order to conserve the reserves for further expansion of business the directors do not recommend any dividend.

**4. TRANSFER TO RESERVES:**

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

**5. BUSINESS REVIEW:**

In the last financial year, the pandemic was still at a great height that eventually led to the closure of several manufacturing units in the textile industry. Many factory owners were forced to close due to the shortage of manpower. The lack of funds to buy raw materials for production was another drawback in this industry.

The Indian government imposed new GST with higher rates on industries. So, the textile industry now finds it harder to pay the taxes on their sales. Therefore, business owners are quite agitated due to its negative impact. Cotton textile is the major player in the Indian textile industry. The price of cotton has risen too much now, which is a major setback for textile industry owners. The textile industry finds it hard to maintain their supply chain due to this price hike.

The company is making efforts to improve the business and your Directors are optimistic of better performance during the year.

The team worked throughout the year to improve its product offering with better features. It also streamlined its systems and processes to enhance productivity and optimize cost and time for manufacture.

**6. DEPOSITS:**

Your directors have provided loan/advance to the company to the tune of Rs. 98.88 Lakhs. /- within the meaning of the Rule 2(1)(viii) of the Companies Act, 2013 for the year under review. Your directors have provided a declaration that the amount being funded is not out of funds borrowed or by accepting loans or deposits from others.



Your Company has not invited or accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), from public during the year under review.

**7. CHANGE IN NATURE OF BUSINESS:**

There was no change in the nature of business of the company during the financial year under review.

**8. SHARE CAPITAL:**

**Authorised Share Capital:**

The authorized share capital of your company as on 31<sup>st</sup> March, 2022 was Rs.11,00,00,000(Rupees Eleven crores only/-) divided into 1,10,00,000 (One Crore ten lakh)equity shares of Rs.10/- each

**Issued, Paid up and Subscribed Capital:**

The paid up share capital of the company is Rs.10,03,84,050.00/-. There are no changes in the share capital of the company during the period under review.

**9. DIRECTORS/KEY MANAGERIAL PERSONNEL:**

As per the provision of the Companies Act, 2013, Mrs. Ashmita Aggarwal (DIN: 07332067), Director retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends the appointment of Mrs. Ashmita Aggarwal (DIN: 07332067) as Director of the Company. The details pursuant to SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed with the notice of AGM.

During the year under review, there was no appointment of Independent Directors and hence statement regarding integrity, expertise and experience(including proficiency) of Independent Directors is not applicable. However, Mr. T. Muthiah, was appointed as Independent Director on 4<sup>th</sup> April, 2022 and Mr. Anil Kumar Goyal, Independent Director resigned from directorship on 8<sup>th</sup> April, 2022

There are no changes in the Key Managerial personnel during the year under review.

**10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

Your Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Nomination



and Remuneration Committee had adopted principles for identification of Key Managerial Personnel, Senior Management including the Executive Directors. Pursuant to Section 134(3)(e) and Section 178(3) of the Act, the Nomination and Remuneration Policy adopted by the Board also sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as Director or as KMP with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin, and to also determine the framework for remuneration of Directors, KMP, Senior Management Personnel and other employees.

No change has been made in the Nomination and Remuneration Policy during the Financial Year under review. The detailed Nomination and Remuneration Policy is available on the website of the Company [www.garmentmantra.com](http://www.garmentmantra.com)

## **11. AUDITORS:**

### **(A) STATUTORY AUDITORS**

M/s. NBT & Co,(previously known as A. Biyani & Co.) Chartered accountants, (Firm Registration No: 140489W), Mumbai the Statutory Auditors of the Company hold office upto the conclusion of 14<sup>th</sup> annual general meeting

### **(B) SECRETARIAL AUDITOR**

The Board of Directors have appointed M/s. GV and Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23.

The Secretarial Audit Report and Secretarial compliance report (pursuant to Regulation 24A of SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015) of Mr. G. Vasudevan, Proprietor of M/s GV and Associates, Practicing Company Secretaries for the financial year 2021-22, is annexed herewith as **Annexure A**.

### **(C) COST AUDITOR**

The Board of Directors have appointed Mr. C. Sanjeevi (Membership No: M/26512) , Practising Cost & Management Accountants as Cost Auditors to conduct audit of the cost records maintained by the Company pertaining to fabrics and garments for the financial year 2022-23.

Your Company has prepared and maintained the cost records as specified by the Central Government under Section 148(1) of the Act.

## **12. CLARIFICATION ON STATUTORY AUDITOR'S REMARK IN THEIR REPORT:**

There were no qualifications or reservations or adverse remarks in the Statutory Auditor's report and



hence no clarification is required

**13. CLARIFICATION ON SECRETARIAL AUDITOR'S REMARK IN THEIR REPORT:**

The qualifications raised by the secretarial auditors in the report seems to be self-explanatory and does not require detailed note on the same.

**14. REPORT OF FRAUD BY AUDITORS UNDER SECTION 143(12) OF COMPANIES ACT, 2013:**

During the year under review, the Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

**15. ANNUAL RETURN:**

The annual return pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 forms a part of Boards Report and the same is available on the website of the company [www.garmentmantra.com](http://www.garmentmantra.com)

**16. SUBSIDIARY COMPANIES:**

Your Company has two subsidiaries viz., Jannat fabrics and Apparels Private Limited and Twenty Twenty Trading LLP. The statement under Section 129(3) of the Companies Act, 2013 in respect of the subsidiary in Form AOC-1 is attached as **Annexure B**.

The Consolidated Accounts of the company duly audited by the Statutory Auditors are presented as part of this Report.

The financial statements together with related information and other reports of the subsidiary are available on the website of the company at [www.garmentmantra.com](http://www.garmentmantra.com)

The Company's policy on material subsidiary is also available on the website at [www.garmentmantra.com](http://www.garmentmantra.com)

**17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year, 7 (Seven) Board Meetings, 4 (Four) Audit Committee and 1(One) Nomination and Remuneration Committee meetings and 1(One) Stakeholders Relationship Committee meeting were held within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, the details of which are given in the Corporate Governance Report



**18. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:**

All independent directors have given declarations that they meet the criteria of Independence as laid down under the provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**19. STATEMENT ON DECLARATION BY MANAGING DIRECTOR:**

The Managing Director of the company has given declaration that members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as laid down under the provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The declaration is placed as **Annexure C** to director's report.

**20. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of provisions of Regulation 34 of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, the Management's discussion and analysis is set out below:

**I. Textiles Industry Structure and Development:**

The Domestic apparel and textile industry in India contributes 5% country's GDP, 7% industry output in value terms, and 12% of the country's export earnings. India is also one of the largest producers of cotton in the world. India is also the second largest producer of silk in the world.

The textile and apparel industry is the 2<sup>nd</sup> largest employer in the country providing direct employment to over 45 million people and 100 million in allied industries.

Incidentally thanks to Covid, India has become the second largest producer of PPE in the world. More than 600 companies in India are certified to produce PPEs today and the Global market is expected to be over \$92.5 billion by the year 2025, up from \$52 billion in 2019.

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

The domestic textiles and apparel industry stood at \$108.5 bn in 2019-20 of which \$75 bn was domestically consumed while the remaining portion worth \$28.4 bn was exported to the world market.



Textiles and garments industry is expected to reach \$190 bn by 2025-26 from \$103.4 bn in 2020-21

The highest contributors to FDI in the Textile sector of India (including dyed, printed) from April 2016 to March 2021 are Japan, Mauritius, Italy, and Belgium. India scaled its highest ever exports tally at US\$ 44.4 Bn in Textiles and Apparel (T&A) including Handicrafts in FY 2021-22, indicating a substantial increase of 41% and 26% over corresponding figures in FY 2020-21 and FY 2019-20, respectively.

Cotton production supports 5.8 million farmers and 40-50 million people in allied sectors.

Further, the domestic consumption of \$75 bn was divided into apparel at \$55 bn, technical textiles at \$15 bn and home furnishings at \$5 bn. While exports comprised of apparel exports at \$12 bn; home textiles exports at \$4.8 bn; fabric exports at \$4 bn; yarn exports at \$3.8 bn; fiber exports at \$1.8 bn and others at \$2 bn.

The outlook for the industry is buoyant and extremely positive.

## **II. Opportunities and Threats**

### **Opportunities:**

There are plenty of opportunities under this sector. Currently major portion of the industry has been focusing on traditional and conventional sectors like apparels, Home furnishings and related consumable items. However with emerging new world, wide variety of fabrics have been developed which are named as Technical Textiles.

The Technical Textiles are used in different sectors like 1. Medical sector (for diapers, sanitary napkins, Artificial implants etc.) 2. Automobile Sector (Air bags, Nylon Tyre chords, Vehicle seat belts etc.) 3. For security and Fire Professionals (Bullet Proof Jackets, Fire Retardant Fabrics, High visibility Clothing etc.) 4 In Sports (Sports net, Artificial Turf, Parachute fabrics, Swimwear etc.) like this several industries.

Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%. There is a huge potential to fulfil a large demand gap as the consumption of technical textiles in India is still only at 5-10% against 30-70% in some of the advanced countries.

The Ministry of Textiles have identified the highly potential area where it can work both as import substitution and also generate exports.

### **Threats**

The Main Threats in the Apparel Industry is the Cost escalation while the same cannot be passed on to the consumers.





For instance, a sizeable portion of the Indian Apparel Industry is based on Cotton products. The cotton prices have been spiraling in the past few months, thus resulting in the rise of end cost of the finished products. Under the current competitive economic scenario, it is totally difficult for the manufacturer to pass on the costs, thus putting a strain on their margins.

Unfriendly labor laws are another major issue. This Industry is highly labor oriented and this is a major issue.

The manufacturing processes in the textile industry are still traditional and there is lack of professionalism. Small manufacturers still do not apply Industrial Engineering processes and thus there are lot wastages, besides low productivity in lot of segments.

### **III. Segment-Wise or Product-Wise Performance**

The Company's primary business comprises of manufacturing of knitted garments and trading of fabrics which contributes to 100% revenue

### **IV. Outlook**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. However, Global domestic convicts high on inflation supply chain distribution regards in higher input costs, which slows down the growth. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025. The Indian cotton textile industry is expected to showcase a moderate growth in F.Y 2021-22, due to increasing input prices, healthy capacity utilization and steady domestic. Over the last three years, we have successfully moderate in the gaps in our business strategy. Our efforts have laid the foundation for our future as an innovation driven, quality-focused organization. In the future, we will focus on translating these efforts into high margins for the company. Our efforts will also be aided by the momentum created by government-led awareness and subsequent demand creation for the sector. We are now better equipped to make a sustainable foray into segments such as defence, housing, infrastructure etc

### **V. Risks and concerns:**

Our business and results of operations are dependent on our ability to effectively plan our manufacturing processes and on our ability to optimally utilize our manufacturing capacities for the various products we manufacture. Any disruption to our manufacturing process or the operation of our production facilities may result from various factors beyond our control, including, among others, the following :

- Utility supply disturbances, particularly power supply;
- Severe weather condition;
- Interruption of our information technology systems that facilitate the management of our manufacturing facilities; and



- Other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

## VI. Internal control systems and their adequacy

The company has adequate systems of internal control and procedures covering all financial and operating functions commensurate with the size and nature of operations, to ensure orderly and efficient conduct of business. All the major areas and processes are covered in the review plan, drawn in consultation with the senior management. Internal audit process verifies whether all systems and processes are commensurate with the business size and structure. Adequate internal control systems safeguard the assets of the company with timely identification and intervention to assuage risks. The internal audit report is discussed with the senior management and members of audit committee to keep a check on the existing systems and take corrective action to further enhance the control measures. The company has proper and adequate systems of internal control, to safeguard assets against loss from unauthorized use or disposition. This also ensures that all transactions are authorized, recorded and reported correctly. Regular internal audits checks are carried out to ensure the robustness of the system. The management also reviews from time to time the internal control system and procedures to ensure their proper application. The emphasis on internal controls prevails across functions and processes, covering the entire gamut of various activities. Effective and comprehensive reviews by the audit committee of the board further enhance the level and quality of internal controls within the organization.

## VII. Material Development in Human Resource/Industrial Relations Front:

The timely availability of skilled and technical personnel is one of the key challenges. The Company maintains healthy and motivating work environment through various measures. This has helped the Company to recruit and retain skilled work force which would result in timely completion of the projects. The Company has cordial relation with the employees and contractors of the company. The staff has the depth of experience and skills to handle company's activities. Skilled team of workers and other professionals ensure superior quality standards during every stage of work.

## VIII. Details of Significant changes in Key Financial Ratios along with explanation\*:

Particulars	2021-22	2020-21	Explanation
Current Ratio	1.64	1.73	NIL
Debt Equity Ratio	0.69	0.59	NIL
Debt Service Coverage Ratio	2.45	5.55	Reduction in Profit resulted in drastic change in the ratio
Operating Profit Margin Ratio	3.55	8.80	Reduction in Profit resulted in drastic change in the ratio
Return on Equity	0.04	0.22	Reduction in Profit resulted in drastic change in the ratio



Inventory Turnover	4.45	4.52	NIL
Trade Receivables turnover ratio	4.33	5.02	NIL
Trade Payables Turnover ratio	12.33	8.38	NIL
Net capital turnover ratio	5.14	5.42	NIL
Net Profit Ratio	0.01	0.05	Reduction in Profit resulted in drastic change in the ratio
Return on Capital employed	0.10	0.27	Reduction in Profit resulted in drastic change in the ratio

\*Ratios produced here were calculated based on Standalone financials

## **21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

During the year under review, the company has made investment in Jannat Fabrics and Apparels Private Limited thereby making it a wholly owned subsidiary company.

Also during the year under review, your company has provided guarantee for loan availed by Jannat Fabrics and Apparels Private Limited, Subsidiary company within the meaning of the provisions of Section 186 of the Companies Act, 2013.

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

### **A) Conservation of energy:**

- (i) The steps taken or impact on conservation of energy: Nil
- (ii) The steps taken by the company for utilising alternate sources of energy: Nil
- (iii) The capital investment on energy conservation equipment: Nil

### **B) Technology absorption:**

- (i) The efforts made towards technology absorption: Nil
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil
- (iv) The expenditure incurred on Research and Development: Nil



**C) Foreign exchange earnings and Outgo:**

Foreign exchange earnings : Nil

Foreign exchange outgo : Nil

**23. PERFORMANCE EVALUATION:**

In terms of the provisions of section 178 of the Act read with Rules issued thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors in consultation with Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, for the Financial Year 2021-22.

During the reporting year, customized questionnaires were circulated to all the Board members in order to enhance the effectiveness of the Evaluation Process. The Board Evaluation process was carried out to ensure that the Board and various Committees of the Board have appropriate composition and they have been functioning collectively to achieve the business goals of the Company. Directors were evaluated based on their contribution at Board / Committee meetings and guidance & support to the management outside Board / Committee meetings and other parameters as specified by the Nomination and Remuneration Committee of the Company.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

The Committees of the Board were assessed on the basis of degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Chairman appointed for the Board meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence.

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

The Board of Directors expressed their satisfaction with the evaluation process.



**24. FAMILIARIZATION PROGRAMMES:**

In terms of Regulation 25(7) of the Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment.

Sessions are conducted at the meetings of the Board and its various Committees on the relevant subjects such as strategy, Company performance, financial performance, internal financial controls, risk management, plants, retail, products, finance, human resource, capital expenditure, CSR, Compliances etc. All efforts are made to keep Independent Directors aware of major developments taking place in the industry, the Company's business model and relevant changes in the law governing the Company's business. The policy of familiarization programme is available on the website of the company [www.garmentmantra.com](http://www.garmentmantra.com)

**25. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

The company has formulated vigil mechanism for employees including directors of the company to report genuine concerns. Till date the company has not received any complaints.

**26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 in Form No. AOC -2 is furnished as **Annexure D** to this report.

**27. RISK MANAGEMENT POLICY:**

Risk management is integral to your Company's strategy and to the achievement of long-term goals. Our success as an organization depends on our ability to identify and exploit the opportunities generated by our business and the markets we operate in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's agenda.

The Management has devised proper and adequate risk mitigation strategies considering the nature of industry and associated risks pertaining to the industry. The Management is overseeing the implementation of risk mitigation strategies on regular basis.

**28. INTERNAL FINANCIAL CONTROL:**

The Company's internal control procedures which include internal financial controls, ensure compliance with various policies, practices and statutes and keeping in view the organization's pace of growth and increasing complexity of operations. The internal auditors' team carries out extensive audits throughout the year across all functional areas and submits its reports to the Audit Committee of the Board of Directors on quarterly basis.



The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them. The Company has a strong Management Information System, which is an integral part of the control mechanism.

The Company continues to strengthen its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools.

**29. CORPORATE SOCIAL RESPONSIBILITY:**

As per the provisions of the Companies Act, 2013, corporate social responsibility is applicable to the Company. The company has devised Corporate Social responsibility policy and has disseminated the same in its website i.e., [www.garmentmantra.com](http://www.garmentmantra.com).

The Annual Report on CSR activities is annexed herewith as **Annexure E**.

**30. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE:**

As per the requirements specified in the “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013”, the Company has constituted an Internal Complaints Committee and is committed to provide a work environment that is free from sexual harassment.

**31. MATERIAL CHANGES:**

There are no material changes and commitments occurring from the end of the financial year till the date of this report.

**32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

There were no significant and material orders passed by the regulators or courts or tribunal which would impact the going concern status and the Company’s operations in future.

**33. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The company has complied with applicable Secretarial standards as stipulated by Institute of Company Secretaries of India.

**34. DIRECTORS’ RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed



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

### **35. PARTICULARS OF EMPLOYEES:**

There were no employees drawing remuneration in excess of limit specified under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of remuneration of each director to the median of employees remuneration as per Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies Appointment and Remuneration of Managerial Personnel ) Rules, 2014 forms part of the Board report **Annexure F**

### **36. ACKNOWLEDGEMENT:**

Your Directors wish to place on record their deep gratitude and appreciation towards the Company's suppliers, customers, investors, bankers, Government of India, State Government and other regulatory authorities for their continued support during the year. Your Directors also acknowledge the commitment and the dedication of the employees at all levels who have contributed to the growth of the Company.

**Place: Tirupur**

**Date: 30.05.2022**

**For and on behalf of the Board**

-Sd-

-Sd-

<b>Prem Aggarwal</b>	<b>Shikha Aggarwal</b>
<b>Managing Director</b>	<b>Whole Time Director</b>
<b>DIN: 02050297</b>	<b>DIN: 03373965</b>



**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
OF  
GARMENT MANTRA LIFESTYLE LIMITED  
(Formerly known as JUNCTION FABRICS AND APPARELS LIMITED)  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

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

To

The Members,  
Garment Mantra Lifestyle Limited  
(Formerly known as Junction Fabrics and Apparels Limited)  
No.15, Murthy's Plaza Kariagounder Street,  
Khaderpet, Tirupur - 641601.

We have conducted the secretarial audit of compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. GARMENT MANTRA LIFESTYLE LIMITED (CIN: L18101T22011PLC017586)** (Formerly known as Junction Fabrics and Apparels Limited), a listed entity, having its registered office at No.15, Murthy's Plaza Kariagounder Street, Khaderpet, Tirupur - 641601, (herein after 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;





- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings - **Not Applicable to the Company during the Audit Period.**
- 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) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable to the Company during the Audit Period;**
  - (g) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **Not Applicable to the Company during the Audit Period;**
  - (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable to the Company during the Audit Period;**
  - (i) 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 - **Not Applicable to the Company during the Audit Period;**
  - (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable to the Company during the Audit Period.**

We have also examined compliance with the applicable clauses of the Secretarial Standards 1, 2 & 4 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 except the following observations:

- (a) *The Company had published public notice dated 09.09.2021 by way of an advertisement under Rule 20 of The Companies (Management and Administration) Rules, 2014 on 10.09.2021 for the e-voting facility provided to shareholders for the Annual General Meeting (“AGM”) held on 30.09.2021. As per the said rules, the Company has to make public notice at least 21 days before the AGM but the Company has published the notice 20 days before the AGM which resulted in delay of one (1) day.*
- (b) *The Company had re-submitted the Corporate Governance report under Regulation 27(2) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 for the Quarter - January to March 2022 to stock exchanges on 20.05.2022 which contain the Board Meeting dates 26.11.2021 and 30.03.2022 which were not mentioned in the previous corporate governance report pertaining to the quarter ended 31.12.2021 and 31.03.2022.*
- (c) *The Company has been advised to file e-form MGT-14 for the resolution passed at the Board Meeting held during the Financial Year 2021-2022 as specified under Section 117 of the Companies Act, 2013.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case maybe.

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

**For G.V. and Associates  
Company Secretaries**

**Date: 30.05.2022  
Place: Coimbatore  
ICSI UDIN: F006699D000423038**

**SD/-  
G.Vasudevan  
Partner  
FCS No.: 6699  
C P No.: 6522**



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**OF**  
**JANNAT FABRICS AND APPARELS PRIVATE LIMITED**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
Jannat Fabrics and Apparels Private Limited,  
Unit no.22 Nethaji Apparel Park, Eettiveerampalayam,  
New Tirupur - 641666

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jannat Fabrics and Apparels Private Limited (CIN:U18101TZ2013PTC019376) having Unit no.22 Nethaji Apparel Park, Eettiveerampalayam, New Tirupur - 641666 (herein after 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 **Jannat Fabrics and Apparels Private Limited** 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 31<sup>st</sup> March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Jannat Fabrics and Apparels Private Limited** for the financial year ended on, 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;  
(Not applicable to the company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under - (Not



applicable to the company)

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing- **(Not Applicable to the Company during the Audit Period)**

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) to the extent applicable to the Company:

(iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

During the period under review, provisions of the following regulations and guidelines were not applicable to the 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (a) Secretarial Standards 1, 2 and 4 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 subject to the following observations:



I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**Place: Coimbatore**

**Date: 26.05.2022**

**UDIN: A024507D000391445**

**-Sd-**

**Hariram R**

**Company Secretary in Practice**

**M. No 24507**

**CP No.18309**



**Form AOC-1**

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

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

**Part "A": Subsidiaries**

<b>Name of Subsidiary</b>	<b>JANNAT FABRICS AND APPARELS PRIVATE LIMITED</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March, 2022
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR(in Lakhs)
Share capital	246.88
Reserves & surplus	581.12
Total assets	3813.92
Total Liabilities	3813.92
Investments	17.75
Turnover	7814.12
Profit before taxation	87.43
Provision for taxation	27.19
Profit after taxation	60.23
Proposed Dividend	0.00
% of shareholding	91.90%

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year - NIL

**For and on behalf of the company**

Place: Tirupur  
Date : 30.05.2022

-Sd-  
Prem Aggarwal  
Managing Director  
DIN No:02050297

-Sd-  
Shikha Aggarwal  
Whole time director  
DIN No: 03373965

-Sd-  
Aditya Aggarwal  
Chief Financial officer

-Sd-  
K. Lakshmi Priya  
Company Secretary

From the house of.,



**Annual Report  
2021-22  
Annexure C**

**DECLARATION BY MANAGING DIRECTOR  
(PURSUANT TO SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015)**

To

The members  
Garment Mantra Lifestyle Limited  
Tirupur

I **Prem Aggarwal (DIN No: 02050297)**, **Managing Director** of Garment Mantra Lifestyle Limited hereby declare that the members of the Board of Directors and Senior Management personnel have affirmed with code of conduct of Board of Directors and senior management.

Date:30.05.2022

Place : Tirupur

**-Sd-  
Prem Aggarwal  
Managing Director  
DIN No: 02050297**

**PARTICULARS OF CONTRACTS /ARRANGEMENTS MADE WITH RELATED PARTY**

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

**Annexure D**

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso

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

There were no contracts or arrangements or transactions entered during the year ended 31<sup>st</sup> March, 2022, which were not at arm's length basis

**2. Details of material contracts or arrangement or transactions at arm's length basis**

S.No	Name(s) of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any		Other Services (including Rent)	Office or Place of profit	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
					Sales	Purchases				
1	Jannat Fabrics and Apparels Private Limited	Common Key Managerial Personnel	Rent, Sales, Purchase	For the Year	-	801.84	-	-	-	-
2	Beatle Apparels Prop: Romi Lodha	Relative of the Director is a Partner	Purchase of Fabrics & Sale of Fabrics	For the Year	-	223.26	-	-	-	-

Amt in Lakhs



From the house of.,



Annual Report  
2021-22

3	Twenty Twenty LLP	Designated Partner	Rental, Purchase	For the year	-	548.53	13.20	-	-	-
4	Prem Aggarwal	Managing Director	Rent/Loan Given/Loan Repaid	For the year	-	-	-	7.00	-	-

Date :30.05.2022

Place : Tirupur

For and on behalf of the Board

-Sd-

Prem Aggarwal  
Managing Director  
DIN No:02050297

-Sd-

Shikha Aggarwal  
Wholetime Director  
DIN No: 03373965

**ANNUAL REPORT ON CSR ACTIVITIES:****1. A brief outline of the company's Corporate Social Responsibility Policy:**

Your Company believes in collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business and society. CSR is not just compliance for the Company but is an opportunity to contribute towards Nation building through well-defined professional approach. Even in the pre CSR era, the promoters of your Company have been contributing to the welfare of society and are continuing to support the society through its initiatives. This culture has embedded throughout the Company.

Your Company has strategically undertaken projects to contribute to the lives of people not immediately but for long term. With its focus on thematic areas of "Education & Skill Development", "Tree Plantation" your Company is open to new ideas, to address problem issues to undertake any CSR project specified in Schedule VII of the Companies Act, 2013, from time to time. The CSR Policy of your Company is available at the website of the company [www.garmentmantra.com/investors](http://www.garmentmantra.com/investors)

During the period your company has made contributions to 3 CSR projects (Covid Relief and Rehabilitation Initiative, Vanathukkul Tirupur and Jan Jagrati Sevarth Sansthan in two cities i.e. Tirupur and Mathura respectively.

Key Initiatives under each thematic area are mentioned below:

**A. Covid Relief and Rehabilitation Initiative:**

COVID-19 has been declared as a global pandemic by World Health Organization (WHO) and identified as a 'Notified Disaster' by the Ministry of Home Affairs. COVID-19 has severely disrupted lives and economies across the globe

With economic activities under suspension, and cases of COVID-19 cases increasing, a humanitarian challenge was unfolding day by day. People at the bottom of the pyramid, especially, the migrant workers in the cities, factory workers, daily wage earners, farm laborers, etc. are the worst affected and struggling to arrange daily essentials such as food and sanitization kit.

A number of initiatives were taken by CII Foundation to provide relief to those impacted by the second wave of Covid -19 with main focus in the following areas:

- **Procurement and deployment of medical equipment** such as oxygen cylinders, O2 concentrators, ventilators etc in hospitals across the country.
- **Healthcare infrastructure support** by setting up Covid-care Centres, expanding Covid-ICUs, setting up Tele-ICUs, converting general wards into Covid wards and installing oxygen pipelines.
- **Distribution of Relief Material** such as food and ration kits, hygiene kits such as masks etc

Your company contributed 35% of its total CSR commitment to CII Foundation towards Covid Relief and Rehabilitation Initiative

**B. Tree Plantation:**



Your company is situated in Tirupur which is a Knitwear hub of India and emerged from a village in 1970s to a district and city corporation in 4 decades. Industrialization had its odd effects of spoiling most of the water bodies and very poor air quality. To reduce carbon foot print - Mass tree plantation was started in 2015 by Vetry Foundation. The project Vanathukkul Tirpur was started with a target of planting one lakh trees and till date it has successfully planted fourteen lakh trees.

Your company understands the need of the hour and has been contributing to tree plantation and other social activities in pre corporate social responsibility era also and during the current year your company has contributed around 41% towards tree plantation and environmental sustainability.

### **C. School and Education Development:**

Education is very important to all of us as it plays very important roles in our life. In order to live a better and peaceful life, we need to be educated. It transforms us completely from inside and outside by changing our mind and personality as well as improving our confidence level. It changes our life completely as it is constructive in nature. It helps a person to get knowledge and improve confidence level all through the life. It plays a great role in our career growth as well as in the personal growth. It has no limitation; people of any age group can get education anytime. It helps us to determine about good and bad things. An educated person having good education becomes the good citizen in the society.

Your company with focus to develop the down trodden especially dalits, scheduled caste, scheduled tribes, minorities, BPL's, and other backward communities, welfare of women, youth and child development through education, economic environment, skill education, health and cultural has contributed 23.52% of its CSR expenditure in this project.

#### **2. Composition of CSR Committee:**

Pursuant to section 135(9), the company is not liable to constitute the CSR Committee and the roles and responsibilities of CSR Committee are handled by the Board.

#### **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**

The weblink for CSR Policy and CSR Projects as approved by the board are disclosed on the website on <https://www.garmentmantra.com/investors>.

The composition of CSR committee is not applicable to your company

#### **4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies**

Your Company does not fall in the criteria of Impact assessment as per sub-rule (3) of rule 8 of the CSR Rules

#### **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**

#### **6. Average Net Profit of the company as per Section 135(5) : Rs. 410.86 lakhs**

##### **7. a. 2% of average net profit of the company as per Section 135(5) : Rs. 8.21 lakhs**

##### **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): 8.21 lakhs
8. a. Details of the CSR spent/Unspent during the Financial Year 2021-22:  
Total amount spent for the financial year: Rs.8.5 Lakhs  
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:  
d. Amount spent in Administrative Overheads : NIL  
e. Amount spent on Impact Assessment, if applicable : NA  
f. Total amount spent for the Financial Year (8b+8c+8d+8e) : NIL  
g. Excess amount set off, if any :

S.No	Particulars	Amount in Lakhs
(i)	Two percent of average net profit of the company under Section 135(5)	8.21
(ii)	Total amount spent for the financial year	8.50
(iii)	Excess amount spent for the financial year(ii)-(i)	0.29
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(v)	Amount available for set off in succeeding financial years(iii)-(iv)	0.29

9. a. Details of Unspent CSR amount for the preceding three financial years: NIL  
b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : NIL
10. 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) – NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
Your company has spent in excess of CSR commitment as stipulated under Section 135(5) of Companies, Act, 2013.

Place :Tirupur  
Date : 30.05.2022

-Sd-  
Prem Aggarwal  
Managing Director  
DIN No: 02050297

-Sd-  
Aditya Aggarwal  
Chief financial officer



Particulars of employees:  
**Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<p><b>Name of the Director</b></p> <p>Mr. Prem Aggarwal Mrs. Shikha Aggarwal Mrs. Ashmita Aggarwal Mr. Senthil Rajagopal Mr. Thirumurugan Mr. Anil Kumar Goyal</p>	<p><b>Ratio to the Median</b></p> <p>13.19 13.19 7.91 NA NA NA</p>
ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	There was no increase in remuneration to Directors, Chief Financial Officer, Company Secretary during the year 2021-22	
(iii) The percentage increase in the median remuneration of employees in the Financial Year	There was no percentage increase in the median remuneration of employees during FY 21-22. This has been arrived at by comparing the median remuneration of the cost to the company as on 31 <sup>st</sup> March, 2022 and the median remuneration of the cost to the company as on 31 <sup>st</sup> March, 2021	
(iv) The number of permanent employees on the rolls of Company	The total number of employees excluding contract labors and subsidiary employees as on March, 2022 is 26	
v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was no increase in managerial remuneration in the last financial year and hence no justification is required in this regard	
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, the remuneration is as per the remuneration policy of the Company.	

\* Based on annualized salary of employees employed during the year

\* No payment of sitting fees was paid to Independent Directors during the year

\* During the fiscal year 2021-22, no employee has received remuneration in excess of the highest paid director



## CORPORATE GOVERNANCE REPORT

In terms of Compliance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) on Corporate Governance, your Company is complying with the Listing Regulations. The report for year ended on 31st March, 2022 is as follows:

### COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and management of the Company is an important part of corporate governance. The Company has always been committed to the principles of good corporate governance.

The Philosophy of the Company on Corporate Governance lies in its concern to protect interests of various stakeholders, fair dealings with all and active contribution to the Society at large, while enhancing the wealth of shareholders. The processes of Company are directed to achieve compliance with the Code of Corporate Governance. Company's own policies and expectations include ethical conduct, protection of health, safety and environment and commitment to employees.

The Company believes that Corporate Governance is critical to success of its business and its governance practices are reflected in its strategy, plan, culture, policies and relationship with stakeholders.

Garment Mantra LifeStyle Limited has complied with all applicable guidelines & regulations as stipulated by the Securities and Exchange Board of India pertaining to the Corporate Governance.

### BOARD OF DIRECTORS:

The Board of Directors of Garment Mantra life Style Limited as on March 31, 2022, comprised of six (6) Directors with optimum combination of Executive and Non-Executive Directors ie : 3 Independent Non-Executive Directors, 1 Non Executive Non-Independent Directors, and 2 Executive Directors including a Managing Director and a Whole-time Women Director which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Companies Act, 2013.

The Chairman of the Board is an Executive Director (Promoter). The Non-Executive Directors including Independent Directors on the Board are experienced, competent and each of them are professionals in their respective areas of specialization and have held eminent positions. The Board is headed by the Managing Director.

### COMPOSITION/ CATEGORY OF DIRECTORS/ ATTENDANCE AT MEETINGS/ DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES:

Sno:	Name of Directors	Category of Director	No of Directorship in Public companies as on March	No of Committees in which Member/	Board meeting attended	Whether attended last AGM	No. of Equity shares held in the Company



			2022	Chairman			
1.	Mr.Prem Aggarwal,	Managing Director	1	0	7	Yes	3714330
2.	Mrs.Shikha Aggarwal Prem	Whole-time Director	1	1	7	Yes	1218000
3.	Mrs.Ashmita Agarwal	Non-Executive Director	1	0	7	Yes	45
4.	Mr.Subramanian Thirumurugan	Non-Executive & Independent Director	1	2	7	Yes	-
5.	*Mr. Anil Kumar Goyal	Non-Executive & Independent Director	1	1	1	No	-
6.	Mr.Ramasubramaniam Senthilrajagopal	Non-Executive & Independent Director	1	2	7	Yes	-

\*Resigned from directorship with effect from 08.04.2022

\*\* The no of directorship in public companies includes Garment Mantra Lifestyle Limited also and includes membership of only Audit Committee and Stakeholders Relationship Committee

**NO. OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2021-22 AND DATES ON WHICH HELD: THE BOARD HELD SIX (6) MEETINGS DURING THE FINANCIAL YEAR 2021-22 THROUGH VIDEO CONFERENCING AND ONE MEETING THROUGH PHYSICAL MODE ON THE FOLLOWING DATES:**

Sno:	Date of Board Meeting
1.	22.06.2021
2.	03.08.2021
3.	13.11.2021
4	26.11.2021
5.	19.01.2022
6.	23.02.2022
7.	30.03.2022

**DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

Mr. Prem Aggarwal, Managing Director is the Husband of Mrs. Shikha Aggarwal (Whole time Director) and Father of Mrs. Ashmita Agarwal (Director). No other Director is related to any other Director on the Board.

**INDEPENDENT DIRECTORS:**

The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc.

During the financial year 2021-22, one (1) meeting of the Independent Directors was held on January 19, 2022, interalia to review the following and the meeting was attended by all the Independent Directors:



- i. Review performance of non-independent directors and the Board of Directors as a whole;
- ii. Review performance of the Chairperson of the Company;
- iii. Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

#### **Familiarisation Programmes for Independent Directors**

The familiarization programmes and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at [www.garmentmantra.com](http://www.garmentmantra.com)

#### **SKILLS / EXPERTISE / COMPETENCIES OF DIRECTORS**

As per the Listing Regulations, the Board of Directors of the Company have identified the below mentioned skills/ expertise /competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively

The board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organisation evolves and hence the board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

<b>Sno:</b>	<b>Name of the Director</b>	<b>Expertise in specific functional areas</b>
1.	Mr. Prem Aggarwal	He has more than 25 years of experience in the textile sector. Over the years, Mr. Prem Aggarwal has acquired expertise in various areas of production. Under his dynamic leadership and vast experience, we are able to deliver constant value to our Company's projects and expansion strategy. He has overall experience of 25 Years in the various business activities ranging from manufacturing, fabrication, Knitting, Distribution Dyeing, and Printing, of garment products.
2.	Mrs. Shikha Aggarwal Prem	She has more than 15 years of experience in the garment industry particularly in reading the requirements of the domestic market and carrying the business of readymade garments with various technical matters thereto. She is also one of the core promoters of our Company and she looks after the domestic sales of our products in local market and in other areas.
3.	Mrs. Ashmita Agarwal	She has 5 years of experience in Product designing and packaging designing according to current market requirement. With such relevant experience in the field of textile industry, she assists in the designing process of fabrics manufacturing. In addition, she looks after the administration and human resource function of our Company.
4.	Mr.Subramanian	Mr. S Thirumurugan is the Non Executive & Independent Director of





	Thirumurugan	our company. He holds a Degree of Bachelor of Engineer and having more than 18 years of experiences in the IT field.
5.	*Mr. Anil Kumar Goyal	He is a Qualified Chartered Accountant with 35+ years of experience in legal and other related matters. He has expertise in FEMA related matters as well.
6.	Mr.Ramasubramaniam Senthilrajagopal	He holds a Degree of Chartered Accountant from Institute of Chartered Accountant of India having Fellow membership of the institute for more than 15 years and has hands on experience in practice in field of Audit and Taxation.

\*Resigned from directorship wef 08.04.2022

#### **CONFIRMATION ON THE INDEPENDENCE OF THE INDEPENDENT DIRECTORS**

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations, 2015 and are Independent of the Management.

#### **DETAILED REASONS FOR RESIGNATION OF INDEPENDENT DIRECTOR:**

Mr. Anil Kumar Goyal, Non-executive Independent Director has resigned from the directorship on 8<sup>th</sup> of April, 2022 due to professional and personal commitment and he has further confirmed that there are no other material reasons other than professional commitment.

#### **AUDIT COMMITTEE**

#### **COMPOSITION, NAME OF CHAIRMAN AND MEMBERS & TERMS OF REFERENCE**

##### **Terms of Reference:**

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations. The Committee acts as a link between the Management, the Statutory Auditors, the Internal Auditors, the Cost Auditors, Secretarial Auditors and the Board of Directors. The scope of functioning of the Audit Committee is to review, from time to time, the internal control system & procedures and its adequacy. The Committee reviews accounting policies and financial reporting system & procedures of the Company. It ensures that the financial statements are correct, sufficient and credible and also such other functions as may prescribe from time to time by Regulatory Authorities. The Audit Committee is vested with the necessary powers to achieve its objectives.

The Audit Committee comprises of 3 (Three) Independent Non-Executive Directors and 1 (One) Whole time Director. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI Listing Regulations, 2015 and the Act

The Statutory Auditors, Internal Auditors, and other relevant Senior Management Persons are invited to attend the meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee.

Chairman of Audit Committee was present at the last Annual General Meeting held on 30<sup>th</sup> September, 2021.

**The details of composition of the Audit Committee, meetings held during the year and attendance of members are as under:**



Sno:	Name	Category	Position in the Audit Committee	No. of Meetings attended out of Four(4) meetings held during the year 2021-22
1.	Mr.Ramasubramaniam Senthilrajagopal	Non-Executive Independent Director	Chairman	4
2.	Mr. Anil Kumar Goyal	Non-Executive Independent Director	Member	2
3.	Mr. Thirumurugan*	Non-Executive Independent Director	Member	2
4.	Mrs. Shikha Aggarwal Prem	Whole time Director – Executive	Member	4

\*Mr. Thirumurugan was inducted into the Audit committee on 3<sup>rd</sup> August, 2021

**\*During the financial year 2021-22, Four (4) meetings of the Audit Committee were held through Video Conferencing as per details given below**

Sno:	Date of Audit Committee Meeting
1.	June 22, 2021
2.	August 03, 2021
3.	November 13, 2021
4.	January 19, 2022

#### **NOMINATION AND REMUNERATION COMMITTEE**

##### **1. COMPOSITION, NAME OF CHAIRMAN AND MEMBERS & TERMS OF REFERENCE**

###### **Terms of Reference:**

The terms of reference and role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, which includes devising a policy on Board diversity, Identifying persons who are qualified to become directors and who may be appointed in senior management roles in accordance with the criteria laid down, and recommend to the Board their appointment and removal, determination of qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees and also formulating performance evaluation criteria. The Committee also ensures equity, fairness and consistency. The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary. The policy is framed by the Nomination and Remuneration Committee and approved by the Board, which includes performance evaluation criteria for Independent Directors and disclosed on the website of the Company at [www.garmentmantra.com](http://www.garmentmantra.com)

###### **Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:**

Nomination and Remuneration Committee presently consist of three Independent Non-Executive Directors. The Chairman is an Independent Non-Executive Director. The details of composition of the Nomination and



Remuneration Committee, meetings held during the year and attendance of members are as under.

Sno:	Name	Category	Position in the Audit Committee	No. of Meetings attended out of One (1) meeting held during the year 2021-22
1.	Mr.Subramanian Thirumurugan	Non-Executive Independent Director	Chairman	1
2.	Mr.Ramasubramaniam Senthilrajagopal	Non-Executive Independent Director	Member	1
3.	Mr. Anil Kumar Goyal	Non-Executive Independent Director	Member	1

During the financial year 2021-22, One (1) meeting of the Nomination and Remuneration Committee was held through video conferencing as per details given below:

Sno:	Date of Nomination and Remuneration Committee Meeting
1.	February 23, 2022

**STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**COMPOSITION, NAME OF CHAIRMAN AND MEMBERS & TERMS OF REFERENCE**

The Stakeholders Relationship Committee, amongst the areas, mentioned in Regulation 20 of the Listing Regulations and Section 178 of the Act is ensuring expeditious redressal of shareholders' and investors' complaints like non-receipt of annual report, non-receipt of share certificates upon transfer of shares, dematerialization/re-materialization, transfer/ transmission, split/consolidation of shares etc.

Mrs. Lakshmi Priya K, Company Secretary is the Compliance Officer of the Company

**The details of Composition of the Committee and attendance of each member of the Stakeholders Relationship Committee is given below**

Sno:	Name	Category	Position in the Audit Committee	No. of Meetings attended out of One (1) meeting held during the year 2021-22
1.	Mr.Subramanian Thirumurugan	Non-Executive Independent Director	Chairman	1
2.	Mr.Ramasubramaniam Senthilrajagopal	Non-Executive Independent Director	Member	1
3.	Mr.Prem Aggarwal	Managing Director	Member	1

**Meetings and attendance during the year**

During the financial year 2021-22, One (1) meeting of the Stakeholders' Relationship Committee was held as per details given below:



Sno:	Date of Stakeholders Relationship Committee
1.	January 19, 2022

**The details of Shareholder's complaints received and resolved during the Financial Year 2021-22 are as under:**

No. of Shareholders' complaints received	satisfaction of shareholders Complaints	complaints pending at the end of the year
Nil	Nil	Nil

### **3. Performance Evaluation Criteria for Independent Directors**

The performance evaluation criteria for Independent Directors are disclosed at point no. 23 of the Board's Report.

#### **DETAILS OF REMUNERATION PAID TO DIRECTORS**

##### **Executive Directors**

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid to the Executive Directors for the financial year 2021-22 are given below:

Name and Designation of Executive Directors	Tenure	Fixed Salary*	Valuable performance Bonus	Commission	Amount in Lakhs
					Total
Mr.Prem Aggarwal Managing Director	5 Years with effect from March 23, 2020	16.87	-	-	16.87
Mrs.Shikha Aggarwal Prem Wholetime Director	5 Years with effect from March 23, 2020	16.87	-	-	16.87

**\*During the year the executive directors have taken only 37.5% out of the total salary of Rs.45,00,000.00 p.a. approved by the shareholders.**

- The Executive Directors and the Company are entitled to terminate the service contracts by giving not less than three months' notice in writing to the other party.
- There is no provision for payment of severance fees.
- The Company does not have any Stock Options Scheme.

##### **Non-Executive Directors:**

The Board has approved the payment of salary to Non-Executive Directors which is within the limit approved by the members of the Company. Further the remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company.

**The details of payment made to Non-Executive Directors during the financial year 2020-21 are as under:**

Name and Designation of Non Executive Directors	Salary*	Sitting Fess	Commission	Total
---	---------	--------------	------------	-------



Mrs.Ashmita Agarwal Director	10,12,500	-	-	-
Mr.Ramasubramaniam Senthilrajagopal Independent – Non Executive Director	-	-	-	-
Mr. Anil Kumar Goyal Independent – Non Executive Director	-	-	-	-
Mr. Subramanian Thirumurugan Independent – Non Executive Director	-	-	-	-

\*During the year, Non-executive directors have taken only 37.5% out of their total approved salary of Rs.27,00,000/- p.a. by shareholders

**None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company and its associates.**

#### **GENERAL BODY MEETINGS:**

##### **Location and time where last three (3) Annual General Meetings (AGMs) held:**

<b><u>Financial Year</u></b>	<b><u>Location</u></b>	<b><u>Date</u></b>	<b><u>Time</u></b>
2020-2021	Through Video conference/Other audio visual means	September 30,2021	11:45 A.M.
2019-2020	Through Video conference/Other audio visual means	September 30,2020	11.00 A.M.
2018-2019	Shed No:40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666	August 03, 2019	5.00 P.M.

##### **Special Resolutions passed in the previous three (3) Annual General Meetings:**

<b><u>Financial Year</u></b>	<b><u>AGM/EGM Date</u></b>	<b><u>Special Resolutions passed</u></b>
<b><u>2020-2021</u></b>	September 30, 2021	No Special resolutions passed
<b><u>2019-2020</u></b>	September 30, 2020	No Special resolutions passed
<b><u>2019-2020</u></b>	January 04, 2020 (EGM)	1. To Increase the Authorized share capital of the company 2. Issue of share warrants on preferential basis 3. To approve the proposal for changing the name of the company
	March 12, 2020 (EGM)	1.To Approve the issuance of bonus shares



	March 18, 2020 (Postal Ballot)	1. Migration of equity shares from SME platform of BSE Limited to Main board of BSE Limited
<b>2018-2019</b>		No Special resolutions passed

**PROCEDURE FOR POSTAL BALLOT:**

The Company has not passed any resolution through postal ballot during the year under reference. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

**MEANS OF COMMUNICATION**

The Company's Quarterly / Half-Yearly / Annual Financial Results are submitted to the Stock Exchanges immediately after the conclusion of the Board meetings

Quarterly Results	The results will be published in the newspapers having wide coverage
Newspapers wherein results are normally published	Will be published normally in – Business Standard (English), Malai Murasu (Tamil) /Tamil Murasu(Tamil)
Website, where the results, official news releases and presentation made to institutional investors or analysts are displayed	<a href="http://www.garmentmantra.com">www.garmentmantra.com</a>

**GENERAL SHAREHOLDER INFORMATION**

<b>Annual General Meeting Date, Time and Venue</b>	12 <sup>th</sup> September, 2022 at 11:30 a.m at Hotel Swaad Mantra Hotels and Restaurants, Tirupur – 641 602
<b>Financial Year</b>	2021-22
<b>Dividend Payment Date</b>	NA
<b>Listing on Stock Exchanges</b>	<b>Bombay Stock Exchange Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.  The Company confirms that the annual listing fees to the stock exchange for the F.Y. 2022-23 have been paid.
<b>Stock Code</b>	The equity shares of the Company are listed on the BSE Limited (BSE)  ISIN: INE653S01028(post sub-division of equity shares)
<b>Market price data – high, low during each month in last financial year</b>	<b>Annexure CG1</b>
<b>Share Performance of the Company in comparison to BSE Sensex</b>	<b>Annexure CG 1</b>
<b>In case the securities are suspended from trading, the directors report</b>	NA



<b>shall explain the reason thereof</b>	
<b>Registrar and Share Transfer Agents</b>	BIGSHARE SERVICES PRIVATE LIMITED OFFICE NO: S6-2, 6 <sup>TH</sup> FLOOR, PINNACLE BUSINESS PARK, NEXT TO AHUJA CENTRE, MAHAKALI CAVES ROAD, ANDHERI(EAST), MUMBAI – 400 093 Email id : <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> Website : <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Telephone No: 022 62638200
<b>Share Transfer System</b>	SEBI has mandated that w.e.f. 1st April, 2019, shares shall be transferred only in demat form. The entire share capital of the company is being held in Demat form and hence there were no request for transfer of shares in physical form.
<b>Distribution of Shareholding/ Shareholding Pattern as on 31st March, 2021</b>	<b>Annexure CG 2</b>
<b>Dematerialization of Shares and Liquidity</b>	The equity shares of the Company are available in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are traded compulsorily in the dematerialized form. As on date, 10,03,84,050 equity shares of the Company have been dematerialized, representing 100% of the total number of shares.  The company also confirms that the promoters' holdings are also in dematerialized form and the same is in line with the circulars issued by SEBI.
<b>Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity</b>	NA
<b>Commodity price risk or foreign exchange risk and hedging activities</b>	NA
<b>Plant Locations</b>	Shed No:40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666

<b>Address for Correspondence / Investor Correspondence</b>	Company Secretary & Compliance Officer Garment Mantra Lifestyle Limited No.15, Murthy's Plaza, Karia gounder street, Khaderpet, Tirupur – 641601, Tamil Nadu, India Tele Phone: 0421 4333896 Email id : <a href="mailto:Companysecretary@junctionfabrics.in">Companysecretary@junctionfabrics.in</a>
<b>Credit Ratings</b>	

Instrument	Amount in Cr.	Rating Agency	Rating & Outlook	Remarks
Bank Loan Facilities	16.32	CRISIL Limited	BB+/Positive	NIL



## **OTHER DISCLOSURES**

### **a ) Related party transactions:**

Transactions with related parties, as per requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in the notes to accounts annexed to the financial statements. All the transactions with related parties were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company has started obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee has granted omnibus approval for certain transactions to be entered into with the related parties, during the year. Statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis

The details pertaining to related party transactions are provided at point no. 26 of the Directors Report.

### **b) Disclosure of Accounting Treatment:**

The company has followed all relevant Indian Accounting Standards(IND AS) while preparing the financial statements.

### **C ) Compliance:**

The company has received the following fines imposed by Stock exchanges during the last three years. However the company has raised objections to the fines imposed by exchange and has succeeded in obtaining waiver letter from the stock exchange. The details are as under:

<b>Year</b>	<b>Regulation under which fine imposed</b>	<b>Waiver letter received date</b>
2019-20 (September)	<b>Regulation 23 (9)</b> Non-compliance with disclosure of related party transactions on consolidated basis.	25.06.2021

Apart from this, there was no non-compliance by the Company, penalties, imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

### **d) Whistle Blower Policy:**

The details pertaining to Vigil Mechanism or Whistle Blower Policy established by the Company are placed in the website of the company [www.garmentmantra.com](http://www.garmentmantra.com).

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

### **e) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**





The Company has complied with all the mandatory requirements of the SEBI Listing Regulations, 2015 with regards to Corporate Governance and has fulfilled the following discretionary requirements specified in Part E of Schedule II under Regulation 27(1) of SEBI(Listing Obligation and Disclosure Requirements), 2015:

- **The Board:**

The Company has an Executive Chairman and hence, the need for implementing this non-mandatory requirement

- **Modified Opinion(s) Audit Report:**

The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements.

- **Reporting of Internal Auditor:**

The Internal Auditor of the company is a permanent invitee to the Audit Committee meeting and regularly attends the Meeting for the reporting their findings of the internal audit to the Audit Committee Members

- **Shareholders Rights:**

The Quarterly, Half-yearly and Annual Financial Results of the Company are published in newspapers and posted on Company's website [www.garmentmantra.com](http://www.garmentmantra.com) . The same are also available on the site of the stock exchange (BSE Limited) where the shares of the Company are listed i.e. [www.bseindian.com](http://www.bseindian.com)

**f) Policy for determining 'material' subsidiaries' and dealing with related party transactions:**

The Company has formed the policy for determining 'material' subsidiaries' and for dealing with related party transactions. The same has been placed on the website of the Company [www.garmentmantra.com](http://www.garmentmantra.com)

**g) Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to Listing Regulations is not applicable

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The company has not raised funds through preferential allotment or qualified institution placement during the year.

**i) Certificate on qualification of directors:**

None of the Directors have been debarred or disqualified from being appointed or continuing as director of the Company by the Board/Ministry of Corporate affairs or any statutory authority. The certificate from Mr. G. Vasudevan, Practising company secretary on the same is annexed as **Annexure CG 3** to this report.

**j) Demat Suspense Account/Unclaimed Suspense Account:**

There are no shares lying in the demat suspense account or unclaimed suspense account.



**k) Recommendations of Committees of the Board**

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose, along with the reasons thereof, where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required

We hereby confirm that the Board has accepted all the recommendations received from committees of the Board which is mandatorily required and there is no recommendation which has not been accepted by the Board to comment on required to disclose.

**k) Fees paid by the company and its subsidiaries, on consolidated basis to the Statutory auditor:**

The total fees paid to statutory auditor is provided in the Note no. 27 of financial statements

**l) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount:**

The company has provided corporate guarantee to its Subsidiary 'Jannat Fabrics and Apparels Private Limited' for Rs.15 Crore.

**m) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- **Number of complaints filed during the financial year: NIL**
- **Number of complaints disposed of during the financial year: NIL**
- **Number of complaints pending on end of the financial year: NIL**

**m) Disclosure of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015:**

During the Financial Year under review, SEBI issued new Listing Regulations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. As required under the said Regulations, the Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46(2) of the SEBI Listing Regulations, 2015

**Declaration by Managing Director stating compliance with Code of Conduct:**

The Company has formulated and implemented a General Code of Conduct (copy available on the Company's Website at [www.garmentmantra.com](http://www.garmentmantra.com)) for all its Directors and Senior Management of the Company in compliance with Listing Regulation. All the Board Members and Senior Management of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2022.



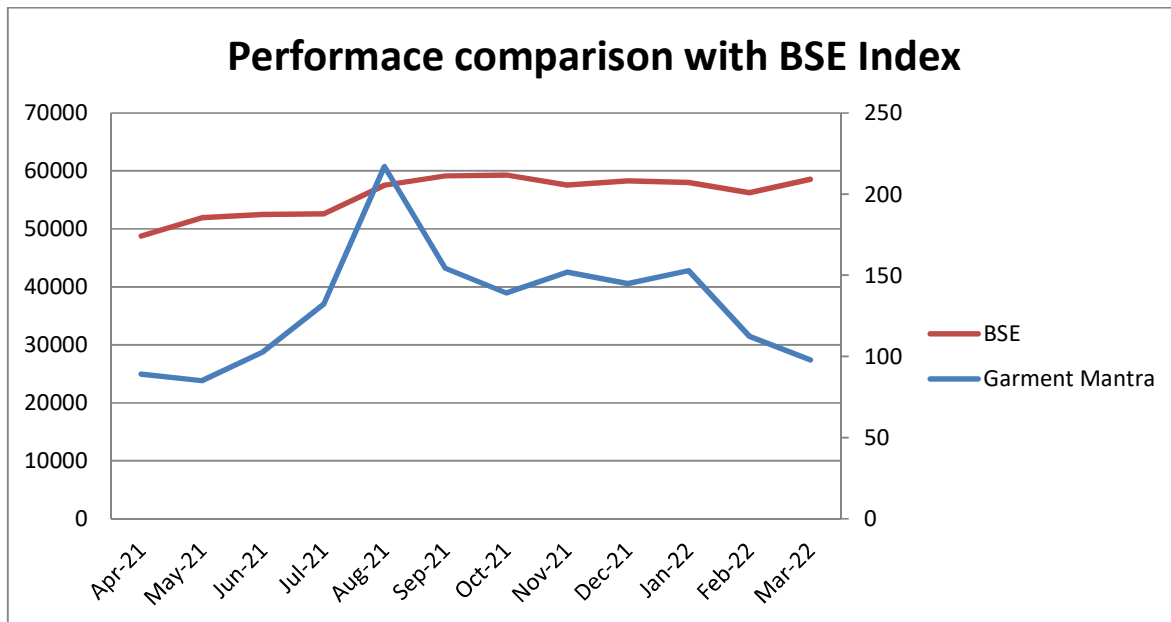
A declaration by the Managing Director affirming compliance with the said Code of Conduct by Board Members and Senior Management is annexed as **Annexure C** and forms part of this Report.

**Certificate from Company Secretary regarding compliance with Corporate Governance:**

This Corporate Governance Report forms part of the Annual Report. A certificate from Mr. G. Vasudevan, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations is annexed to this report as **Annexure CG 4** which also forms part of this Annual Report.

**ANNEXURE CG 1**

<b>Month</b>	<b>Share Price at BSE</b>			<b>BSE Sensex</b>	
	High	Low	Volume Traded(No of Shares)	High	Low
April 2021	108.70	80.10	3,37,502	50,375.77	47,204.50
May 2021	99.95	84.00	4,72,734	52,013.22	48,028.07
June 2021	124.00	83.00	6,56,071	53,126.73	51,450.58
July 2021	143.00	100.00	4,19,826	53,290.81	51,802.73
August 2021	227.00	125.00	5,88,942	57,625.26	52,804.08
September 2021	218.00	149.90	2,78,201	60,412.32	57,263.90
October 2021	166.95	126.10	2,07,938	62,245.43	58,551.14
November 2021	163.00	134.05	2,04,981	61,036.56	56,382.93
December 2021	176.00	140.00	2,47,762	59,203.37	55,132.68
January 2022	222.15	14.65	10,42,432	61,475.15	56,409.63
February 2022	173.90	103.00	1,47,296	59,618.51	54,383.20
March 2022	124.90	81.20	9,11,997	58,890.92	52,260.82

**ANNEXURE CG 2****Distribution of shareholding as on March 31, 2022:**

No of Shareholding of Nominal	No of Share Holders	% of Total	Share Amount	%of shares Held
1-5000	2481	89.89	1512500	1.51
5001-10000	84	3.04	641630	0.64
10001-20000	46	1.67	658910	0.66
20001-30000	12	0.43	312460	0.31
30001-40000	11	0.40	402210	0.40
40001-50000	6	0.22	285360	0.28
50001-100000	27	0.98	1888730	1.88
100001-999999999	93	3.37	94682250	94.32

**Shareholding pattern as on March 31, 2022:**

Sno:	Category of Share Holders	Number of Shareholders	Number of shares held	Number of shares held in dematerialized form	% of shareholding
1.	Promoters / Directors	3	4932345	4932345	49.13
2.	Promoter group	2	30	30	0.00
3.	Public	2597	4626162	4626162	46.08
4.	Corporate	10	132027	132027	1.32



	bodies				
5.	Clearing member	23	30850	30850	0.31
6.	Hindu Undivided Family	84	316350	316350	3.15
7.	Non Resident Indians	8	641	641	0.01

**ANNEXURE CG 3**

**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,  
Garment Mantra Lifestyle Limited  
(Formerly known as Junction Fabrics and Apparels Limited)  
No.15, Murthy's Plaza, Kariagounder Street,  
Khaderpet, Tirupur-641601

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Garment Mantra Lifestyle Limited (CIN: L18101TZ2011PLC017586) (Formerly known as Junction Fabrics and Apparels Limited) and having registered office at No.15, Murthy's Plaza, Kariagounder Street, Khaderpet, Tirupur, Erode-641601 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 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 or any such other Statutory Authority:

S. No	DIN	Name of the Director	Designation	Date of Appointment in the Company as per MCA
1.	02050297	Prem Aggarwal	Managing Director	15/11/2011
2.	03107366	Subramanian Thirumurugan	Independent Director	06/03/2015
3.	03373965	Shikha Aggarwal Prem	Whole-time Director	15/11/2011
4.	06520260	Ramasubramaniam Senthilrajagopal	Independent Director	06/03/2015



5.	00022844	Anil Kumar Goyal*	Independent Director	03/04/2020
6.	07332067	Ashmita Agarwal	Non-Executive Director	21/11/2015

\* Resigned w.e.f 05.04.2022

Ensuring the eligibility of 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 G.V. and Associates  
Company Secretaries**

**SD/-**

**G.Vasudevan  
Partner**

**FCS No.: 6699**

**C P No.: 6522**

**Date: 30.05.2022**

**Place: Coimbatore**

**ICSI UDIN: F006699D000423060**

#### **ANNEXURE CG 4**

#### **Certificate on Compliance of Conditions of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### **TO THE MEMBERS OF GARMENT MANTRA LIFESTYLE LIMITED**

We have examined the compliance of conditions of Corporate Governance by Garment Mantra Lifestyle Limited (CIN: L18101TZ2011PLC017586) (Formerly known as Junction Fabrics and Apparels Limited), for the year ended on 31<sup>st</sup> March, 2022, as specified in relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

From the house of,



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

**For G.V. and Associates**  
Company Secretaries

SD/-

**G.Vasudevan**  
**Partner,**  
**Membership No. 6699**  
**C.P No: 6522**

**Date: 30.05.2022**  
**Place: Coimbatore**  
**UDIN: F006699D000423071**



## INDEPENDENT AUDITORS REPORT

**To the Members of M/s. Garment Mantra Lifestyle Limited  
(Formerly Known as Junction Fabrics and Apparels Limited)**

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

#### **Opinion**

We have audited the accompanying standalone financial statements of Garment Mantra Lifestyle 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 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended.

#### **Basis for Opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

#### **Other Information**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the Standalone financial statements and our auditors’ 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

### **Responsibilities of management and those charged with governance for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible



for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone financial statements 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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- 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss (including comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were 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.

**For N B T & Co.**

Chartered Accountants  
Firm Registration No.: 140489W

-Sd-

Arpit Tapadiya  
Partner

Membership No. 182428

Place: Mumbai

Date – 30.05.2022

UDIN – 22182428AJXSJZ2777

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS STANDALONE IND AS FINANCIAL STATEMENTS OF GARMENT MANTRA LIFESTYLE LIMITED (FORMERLY KNOWN AS JUNCTION FABRICS AND APPARELS LIMITED)**

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

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

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

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those



Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 N B T & Co.**  
**Chartered Accountants**  
Firm Registration No. : 140489W

Place: Mumbai  
Date – 30.05.2022  
UDIN - 22182428AJXSJZ2777

-Sd-  
Arpit Tapadiya  
Partner  
Membership No: 182428

**“Annexure B” to the Independent Auditors’ Report**

(Referred to in our report of even date to the members of **GARMENT MANTRA LIFESTYLE LIMITED (FORMERLY KNOWN AS JUNCTION FABRICS AND APPARELS LIMITED)** as at and for the year ended 31<sup>st</sup> March, 2022).

- i) In respect of its Plant and Equipment and Intangible Assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Plant and Equipment and Intangible Assets on the basis of available information.
  - The Fixed Assets are physically verified by the Management in accordance with a phased program designed to cover all the items over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared with available records.
  - As the company does not have any immovable property, question of having the title deeds of immovable properties are held in the name of the Company does not rise.
  - The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - 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) (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no discrepancies were noticed on such physical verification.
- (b) The Company has obtained/using working capital limits for more than 5 crores in the financial year and submitted the quarterly returns as required as per the terms, quarterly return submitted by the company does not agree with the financial statements details of the same is mentioned below: -

Particulars	As per Return	As per Financials	Difference	Reason
Inventory	2,470.09	2,542.64	(72.55)	The difference is due to the submissions to the Banks were made before financial reporting closure process
Book Debts	729.83	2,373.74	(1,643.91)	Debtors only upto 90 Days has been disclosed by the company while submitting the quarterly return

- iii) The Company has made investments in, companies, firms, Limited Liability Partnerships, and has not granted any unsecured loans to other parties, during the year, in respect of which:
- The Company has not provided any loans or advances in the nature of loans but has provided guarantee for the loan obtained by its wholly owned subsidiary M/s Jannat Fabrics and Apparels Private Limited, and has not provided security to any other entity during the year.
  - In our opinion, the investment made by the company during the year are, prima facie, not



- prejudicial to the Company's interest.
- c) Since not loans has been granted by the company during the year, reporting under clause 3(iii)(c) is not applicable.
- d) Since not loans has been granted by the company during the year, reporting under clause 3(iii)(d) is not applicable.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv) The Company has provided guarantee in respect of the loan obtained by its wholly owned subsidiary M/s Jannat Fabrics and Apparels Private Limited. The Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. In respect of loans, investment, guarantees and security the Company has complied with provision of section 185 and 186 of the Act.
- v) The company has not accepted any deposit from public within the meaning of Section 73,74,75 and 76 and clause (v) of Para 3 of the order is not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made detailed examination of the same.
- vii) (a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable except Professional tax outstanding more than six month.
- (b) According to the records of the company, there are no dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) The company has not defaulted in repayment of any dues to a financial institution, bank, and government. The company has not borrowed any amount by way of debentures.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) As observed by us during the Audit and representation made by the company, the company has used the fund obtained in form of term loans for the object for which they were obtained.
- (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.





**Annual Report  
2021-22**

- (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 by pledging securities held in their subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (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) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed 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) The company has not received any whistle blower complaints during the year (and upto the date of this report), Hence report under clause 2(xi)(c) of the order is not applicable.
- xii) The company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 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) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. 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.





**Annual Report  
2021-22**

- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 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 realization 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) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

**For N B T & Co.**  
Chartered Accountants  
Firm Registration No.: 140489W

-Sd-

Arpit Tapadiya  
Partner  
Membership No. 182428

Place: Mumbai  
Date – 30.05.2022  
UDIN - 22182428AJXSJZ2777

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2022**

(Amount in Lakhs, unless otherwise stated)

Particulars	Notes.	As at 31-03-2022	As at 31-03-2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property, Plant and Equipments	2	341.63	326.60
b) Financial Assets			
(i) Investments	3	1,195.20	1,088.54
(ii) Loans & Advances	4	34.45	45.45
(iii) Deposits	5	0.64	0.64
c) Other non current assets		-	-
Total non-current assets		1,571.91	1,461.23
<b>(2) Current Assets</b>			
a) Inventories	6	2,542.64	2,128.59
b) Financial Assets			
(i) Trade Receivables	7	2,373.74	2,429.37
(ii) Cash and cash Equivalentents	8	9.18	55.49
(iii) Advances	9	146.41	11.77
c) Other current assets	10	106.82	31.25
Total current assets		5,178.79	4,656.47
<b>TOTAL ASSETS</b>		<b>6,750.71</b>	<b>6,117.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
a) Equity Share Capital	11	1,003.84	1,003.84
b) Other Equity		2,449.13	2,179.66
<b>II. Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
i) Financial Liabilities			
a) Borrowings	12	120.63	197.33
ii) Deferred Tax Liabilities (Net)	13	2.07	0.45
iii) Other Non Current Liabilities	14	18.96	41.60
<b>(2) Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	15	2,265.44	1,676.94
(ii) Trade Payables	16	805.31	765.38
b) Other current liabilities	17	23.48	33.63
c) Provisions	18	61.85	218.86
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,750.71</b>	<b>6,117.70</b>
Summary of significant accounting policies	1		
The accompanying notes are integral part of these financial statements			
In terms of our report attached			
<b>For N B T &amp; Co</b>		<b>For and on behalf of the Board of Directors</b>	
<b>Chartered Accountants</b>			
Firm Regd. No. 140489W			
<b>-Sd-</b>		<b>-Sd-</b>	
<b>Arpit Tapadiya</b>		<b>Prem Aggarwal</b>	
Partner		Managing Director	
Membership No-182428		DIN: 02050297	
Place: Mumbai			
Date : 30.05.2022		<b>-Sd-</b>	
UDIN : 22182428AJXSJZ2777		<b>Aditya Aggarwal</b>	
		CFO	
		PAN: BQJPA0155L	
		Place: Tirupur	
		Date : 30.05.2022	
		<b>-Sd-</b>	
		<b>Shikha Aggarwal</b>	
		Director	
		DIN: 03373965	
		<b>K. Lakshmi Priya</b>	
		Company Secretary	
		PAN:BBRPP6162M	

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**

(Amount in Lakhs, unless otherwise stated)

Particulars	Notes.	31.03.2022	31.03.2021
<b>I INCOME</b>			
Revenue from Operations	19	10,391.89	10,629.68
Other Income	20	18.66	16.62
<b>TOTAL INCOME</b>		<b>10,410.55</b>	<b>10,646.30</b>
<b>II EXPENSES</b>			
Cost of material consumed	21	9,648.75	8,345.55
Changes in inventories of Finished Goods and Stock-in-Trade	22	(376.05)	455.08
Employee Benefit expenses	23	155.81	112.41
Finance Cost	24	158.12	171.62
Depreciation and Amortisation expenses	25	32.84	28.34
Rent Expenses	26	37.42	28.76
Other Expenses	27	557.43	752.49
<b>TOTAL EXPENSES</b>		<b>10,214.33</b>	<b>9,894.26</b>
<b>PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		196.22	752.04
<b>III. EXCEPTIONAL ITEMS</b>	28	0.07	-
<b>PROFIT (LOSS) BEFORE TAX</b>		196.30	752.04
<b>IV TAX EXPENSE</b>	29		
(1) Current Tax		45.88	205.22
(2) Deferred Tax		1.62	(2.29)
(3) Short/(Excess) Provision for Income Tax of Earlier Year		-	2.54
<b>TOTAL TAX EXPENSE</b>		<b>47.49</b>	<b>205.47</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>148.80</b>	<b>546.57</b>
<b>V OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to Profit or Loss	30	120.67	111.80
<b>VI TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (IV+V) (Comprising Profit/Loss and Other Comprehensive Income for the period)</b>		<b>269.47</b>	<b>658.37</b>
<b>VII EARNINGS PER EQUITY SHARE OF RS 10 EACH (BASIC AND DILUTED)</b>		1.48	6.76

Summary of significant accounting policies

1

The accompanying notes are integral part of these financial statements

In terms of our report attached

**For N B T & Co**

**Chartered Accountants**

**Firm Regd. No. 140489W**

**-Sd-**

**Arpit Tapadiya**

Partner

Membership No-182428

Place: Mumbai

Date : 30.05.2022

UDIN : 22182428AJXSJZ2777

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

**-Sd-**

**Prem Aggarwal**

Managing Director

DIN: 02050297

**-Sd-**

**Shikha Aggarwal**

Director

DIN: 03373965

**-Sd-**

**Aditya Aggarwal**

CFO

PAN: BQJPA0155L

**-Sd-**

**K. Lakshmi Priya**

Company Secretary

PAN:BBRPP6162M

Place: Tirupur

Date : 30.05.2022

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in Lakhs unless otherwise stated)

Particulars	Note No.	31.03.2022		31.03.2021	
<b>Cash flow from operating activities</b>					
Net Profit before Tax			196.30		752.04
Discontinued operations			-		-
<b>Profit before income tax including discontinued operations</b>			<b>196.30</b>		<b>752.04</b>
<b>Adjustments for</b>					
Depreciation and amortisation expense		32.84		28.34	
Provision for Gratuity		10.17		7.03	
Provision for Impairment Loss on Debtors		3.00			
Finance Cost		158.12	204.12	171.62	206.99
<b>Operating Profit before Working Capital Changes</b>			<b>400.42</b>		<b>959.03</b>
(Increase)/Decrease in trade receivables		52.63		(624.91)	
(Increase)/Decrease in inventories		(414.05)		445.35	
(Increase)/decrease in other current assets		(22.44)		57.94	
Increase/ (Decrease) in short Term borrowings		588.50		132.85	
Increase/ (Decrease) in trade payables		39.93		(462.94)	
Increase/(decrease) in provision		(155.24)		107.19	
Decrease/(Increase) in Current Advances		(134.63)		18.96	
Increase in other current liabilities		(10.16)		25.45	
<b>Cash generated from operations</b>			<b>(55.46)</b>		<b>(300.11)</b>
Income taxes paid			49.75		207.50
<b>Net cash inflow from operating activities</b>			<b>295.21</b>		<b>451.42</b>
<b>Cash flows from investing activities</b>					
(Increase)/Decrease in investments		(14.40)		(930.29)	
(Increase)/Decrease in Property, Plant & Equipment		(47.80)		(23.14)	
Deposit Given/(Released)		-		-	
Long Term Loans Recovered/(Given)		11.00		3.40	
<b>Net cash used in investing activities</b>			<b>(51.20)</b>		<b>(950.03)</b>
<b>Cash flow from financing activities</b>					
Issue of Warrants				757.88	
Proceeds From long Term Borrowing (Net)		(76.71)		(70.68)	
Interest paid		(158.12)		(171.62)	
<b>Net cash from financing activities</b>			<b>(234.83)</b>		<b>515.57</b>
<b>Net increase (decrease) in cash and cash equivalents</b>			<b>9.18</b>		<b>16.96</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>-</b>		<b>38.54</b>
<b>Cash and cash equivalents at end of the year</b>			<b>9.18</b>		<b>55.49</b>
Cash and cash equivalents comprise;					
Balances with Banks in current accounts			2.90		51.18
Cash on hand			6.28		4.31
<b>Total cash and bank balances at the end of the period</b>			<b>9.18</b>		<b>55.49</b>

Note -

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).

2. Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition).

3. During the Year 2020-21 Company has converted the Share Warrant of Rs 160,000,000 into shares at a price of Rs.40 each by allotting 40,00,000 shares

Summary of significant accounting policies

1

The accompanying notes are integral part of these financial statements

In terms of our report attached

**For N B T & Co**

**Chartered Accountants**

-Sd-  
**Arpit Tapadiya**  
Partner  
Membership No-182428  
Place: Mumbai  
Date : 30.05.2022  
UDIN : 22182428AJXSJ2777

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

-Sd-  
**Prem Aggarwal**  
Managing Director  
DIN: 02050297  
Place: Tirupur  
Date : 30.05.2022

-Sd-  
**Shikha Aggarwal**  
Director  
DIN: 03373965

-Sd-  
**Aditya Aggarwal**  
CFO  
PAN: ARBPJ0742Q

-Sd-  
K. Lakshmi Priya  
Company Secretary  
PAN:BBRPP6162M

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**Standalone Statement of Changes in Equity for the year ended 31st March 2022**

(Amount in Lakhs unless otherwise stated)

	As at 31 December 2021	As at 31 March 2021
<b>(A) Equity share capital</b>		
Balance at the beginning of the period	1,003.84	269.23
Changes in Equity Share capital during the period	-	734.61
<b>Balance at the end of the period</b>	<b>1,003.84</b>	<b>1,003.84</b>

**(B) Other equity**

Particulars	Equity Instruments through Other Comprehensive Income	Reserves and Surplus		
		Securities Premium Reserve	Retained Earnings	TOTAL
<b>Balance as at 31st March, 2020</b>	(10.01)	60.00	605.93	655.92
Profit for the year 2020-21			546.57	546.57
Add - Premium Received on Issue of Shares	-	1,200.00	-	1,200.00
Less: Bonus Issue		-	(334.61)	(334.61)
Other Comprehensive Income for the year 2020-21	111.80	-		111.80
<b>Balance as at 31st March, 2021</b>	<b>101.79</b>	<b>1,260.00</b>	<b>1,487.11</b>	<b>2,179.67</b>
Profit for the year 2021-22			148.80	148.80
Other Comprehensive Income for the year 2021-22			120.67	120.67
<b>Balance as at 31st March, 2022</b>	<b>101.79</b>	<b>1,260.00</b>	<b>1,756.58</b>	<b>2,449.14</b>

For N B T & Co  
Chartered Accountants  
Firm Regd. No. 140489W

-Sd-  
Arpit Tapadiya  
Partner  
Membership No-182428  
Place: Mumbai  
Date : 30.05.2022

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

-Sd- Prem Aggarwal Managing Director DIN: 02050297	-Sd- Shikha Aggarwal Director DIN: 03373965	-Sd- Aditya Aggarwal CFO PAN: ARBPJ0742Q
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-Sd-  
K. Lakshmi Priya  
Company Secretary  
PAN:BBRPP6162M

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

(Amount in Lakhs unless otherwise stated)

Particulars	Buildings Owned	Furniture & fixtures Owned	Plant and Equipment Owned	Vehicles Owned	Computer Owned	Miscellaneous Assets Owned	Total
<b>Gross Block</b>							
<b>At cost or fair value as at 31.03.2020</b>	246.28	98.67	45.00	71.00	11.17	0.05	<b>472.17</b>
Additions	2.30	16.96	-	-	3.88	-	<b>23.14</b>
Disposals	-	-	-	-	-	-	-
<b>At cost or fair value as at 31.03.2021</b>	<b>248.58</b>	<b>115.64</b>	<b>45.00</b>	<b>71.00</b>	<b>15.05</b>	<b>0.05</b>	<b>495.31</b>
Additions	31.33	6.66	3.01	5.29	1.85	0.19	<b>48</b>
Disposals	-	-	-	(8.91)	-	-	<b>(9)</b>
<b>At cost or fair value as at 31.03.2022</b>	<b>279.91</b>	<b>122.30</b>	<b>48.00</b>	<b>67.38</b>	<b>16.90</b>	<b>0.23</b>	<b>534.73</b>
<b>Depreciation Block</b>							
<b>Accumulated depreciation as at 31.03.2020</b>	54.20	31.46	17.52	31.38	5.51	0.04	<b>140.12</b>
Depreciation for the year	7.06	10.59	2.23	7.75	0.97	-	<b>28.59</b>
Disposals	-	-	-	-	-	-	-
<b>Accumulated depreciation as at the 31.03.2021</b>	<b>61.26</b>	<b>42.05</b>	<b>19.75</b>	<b>39.13</b>	<b>6.49</b>	<b>0.04</b>	<b>168.71</b>
Depreciation for the year	7.06	11.59	2.43	10.52	1.22	0.02	<b>33</b>
Disposals	-	-	-	(8.46)	-	-	<b>(8.46)</b>
<b>Accumulated depreciation as at the 31.03.2022</b>	<b>68.31</b>	<b>53.64</b>	<b>22.18</b>	<b>41.19</b>	<b>7.71</b>	<b>0.06</b>	<b>193.10</b>
<b>Net Block</b>							
As at 31.03.2021	187.33	73.59	25.25	31.87	8.56	0.00	<b>326.60</b>
As at 31.03.2022	211.60	68.65	25.82	26.19	9.19	0.17	<b>341.63</b>

**Title Deeds of Immovable Property not held in the Name of Company.**

Particular	Description of Item of Property	Gross Carrying Value	Whether the title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of company
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There is no immovable property who's title deed are not held in the name of company

**Benami Property**

There is no Proceeding have been initiated or Pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988 (45 of 1988).

**Note:-**

a) In accordance with the Indian Accounting Standard (Ind AS 36 ) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS . On the basis of review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2022

b) The carrying value (Gross Block less accumulated depreciation and amortisation) as on 1st April, 2019 of the Property, plant and equipment is considered as a deemed cost on the date of transition.

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101T22011PLC017586)  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

Note 3

Non Current Financial Assets - Investments

(Amount in Lakhs, unless otherwise stated)

Name of the Body Corporate	Subsidiaries / Associates / Joint Ventures / Structured Entities / Others	No. of Shares and Face Value of Shares		No. of Shares and Face Value of Shares			
		31.03.2022		31.03.2021		31.03.2022	31.03.2021
		Nos.	Face Value (Rs.)	Nos.	Face Value (Rs.)		
<b>Investments measured at Amortised Cost</b>	NA	-	-	-	-		-
<b>Investments Measured at Fair Value Through Profit and Loss (FVTPL)</b>	NA	-	-	-	-		-
<b>Investments Measured at Fair Value Through OCI (FVTOCI)</b>							
(i) Jannat Fabrics and Apparels P Ltd.,	Subsidiary	2,268,830	10	2,268,830	10	1,025.30	963.52
(ii) Twenty Twenty Trading LLP	Subsidiary	4,276,405	NA	4,276,405	NA	121.05	89.92
(iii) Silver Articles	Others	NA	NA	-	-	13.74	-
<b>Other Investments (Carried at cost)</b>							
(i) Netaji Apparel Park	Others	1,775	10	1,775	10	35.10	35.10
<b>Aggregate amount of unquoted investments</b>						<b>1,195.20</b>	<b>1,088.54</b>
<b>Aggregate amount of quoted investments</b>						<b>-</b>	<b>-</b>
<b>Aggregate market value amount of quoted investments</b>						<b>-</b>	<b>-</b>
<b>Total</b>						<b>1,195.20</b>	<b>1,088.54</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

(Amount in Lakhs, unless otherwise stated)

**Note 4**

**Non Current Financial Assets - Loans & Advances**

PARTICULARS	31.03.2022	31.03.2021
Secured, considered good	-	-
Unsecured, considered good	34.45	45.45
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
	<b>34.45</b>	<b>45.45</b>

**There is no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties during the year.**

**Out of which receivables from related parties;**

Group Entity	1.00	1.00
Proportion	2.90%	2.20%

<b>Note 5</b>		
<b>Non Current Financial Assets - Deposits</b>		
Particulars	31.03.2022	31.03.2021
Security Deposits, unsecured, considered good		
- To Related Parties	-	-
- To Others	0.64	0.64
Unsecured, considered doubtful	-	-
Provision for doubtful deposits	-	-
<b>Total</b>	<b>0.64</b>	<b>0.64</b>



**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

**Note 6**

**Inventories**

(Amount in Lakhs, unless otherwise stated)

Particulars	31.03.2022		31.03.2021		Mode of Valuation
			Qty	Value	
a. Raw Materials and components Valued at Rs.293/- per Kg.(P.Year Rs. 202)					Cost or NRV whichever is lower
	118,198	346.32	152,632	308.32	
	Kgs				
	118,198	346.32	152,632	308.32	
b. Work-in-progress Valued at Rs.313.53/- per Kg.(P.Year Rs. 220)					
	92,285	289.34	115,331	253.73	
	Kgs				
	92,285	289.34	115,331	253.73	
c. Finished goods Valued at Rs. 158/- Per Piece (P.Year Rs.92.36/-)					
	1,206,949	1,906.98	1,696,050	1,566.55	
	Pieces				
	1,206,949	1,906.98	1,696,050	1,566.55	
<b>Total</b>		<b>2,542.64</b>		<b>2,128.59</b>	

Notes -

1. Inventory valuation is impacted due to Covid downturn and resulted in aging of inventory and company revalue its stock to reflect lower of cost and net realizable value. Cost of mask stock has resulted in reduction in value by Rs 56,68,843 for total stock of 7,82,499 pieces. Mask consumption has rapidly reduced than expected.

2. Fabric stock reduction in value is 15% as Covid impact resulted in sudden unexpected downturn in the Market situation which resulted in slow and non moving stocks in the past one year. In addition, there is a substantial change in fabric preferences of the consumers. It resulted in the company to adjust to the market needs to sustain the business. All these Macro economic factors and changes in external environment, impacted fabric Inventory to an extent of 15% in reduction in value which is Rs 63,56,604.

3. Garments stock reduction in value is around 7% due to changes in consumers change in style, design and fashion. It changes quite frequently and rapidly and the company has to change its strategy to serve and address these markets. Reduction in stock value due to such changes is Rs 1,27,12,878 for the Year ending Mar 2022.

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

(Amount in Lakhs, unless otherwise stated)

<b>Note 7</b>		
<b>Current Financial Assets - Trade Receivables</b>		
Particulars	As at 31.03.2022	As at 31.03.2021
	Amount	Amount
- From Related Parties	0.12	-
- From Others	2,376.62	2,429.37
<b>Total</b>	<b>2,376.74</b>	<b>2,429.37</b>
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	2,376.74	2,429.37
Less : Loss Allowance	3.00	-
<b>Total</b>	<b>2,373.74</b>	<b>2,429.37</b>

Particulars/ Period	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	3 Years or More	Total
(i) Undisputed Trade Receivable - Considered Good	2,361.06	3.32	12.36	-	-	2,376.74
(ii) Undisputed Trade Receivable - Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	-	-

<b>Note 8</b>		
<b>Current Financial Assets - Cash and Cash Equivalents</b>		
Particulars	As at 31.03.2022	As at 31.03.2021
	Amount	Amount
Balances with Banks in current accounts	2.90	51.18
Cash on hand	6.28	4.31
<b>Total</b>	<b>9.18</b>	<b>55.49</b>

<b>Note 9</b>		
<b>Current Financial Assets - Advances</b>		
Particulars	As at 31.03.2022	As at 31.03.2021
	Amount	Amount
Loans and advances to employees	-	-
Secured, considered good	-	-
Unsecured, considered good	146.41	11.77
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
<b>Grand Total</b>	<b>146.41</b>	<b>11.77</b>

**Out of which receivables from related parties;**

Group Entity	99.53	-
Proportion	67.98%	0.00%

<b>Note 10</b>		
<b>Other Current Assets</b>		
Particulars	As at 31.03.2022	As at 31.03.2021
	Amount	Amount
Deposits with Revenue Authorities	106.82	31.25
Advance Tax	70.09	24.00
TDS	12.33	5.29
Prepaid Expense	1.97	1.97
GST Receivable	22.44	-
<b>Grand Total</b>	<b>106.82</b>	<b>31.25</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZZ011PLC017586)  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022**

**Note 11** (Amount in Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL	31.03.2022		31.03.2021	
	No.	Amount	No.	Amount
Authorised Share Capital	11,000,000	1,100.00	11,000,000	1,100.00
Issued Subscribed and Paid-up Share Capital	10,038,405	1,003.84	10,038,405	1,003.84
Subscribed Share Capital	10,038,405	1,003.84	10,038,405	1,003.84
Fully Paid-up Share Capital	10,038,405	1,003.84	10,038,405	1,003.84
Subscribed but not fully paid-up				
<b>a.) Reconciliation of Shares outstanding at the beginning and at the end of the year</b>				
Balance at the beginning of the year	10,038,405	1,003.84	2,692,270	269.23
Issued during the year (Refer foot note 2)	-	-	7,346,135	734.61
Balance at the end of the year	10,038,405	1,003.84	10,038,405	1,003.84

**b.) Terms/Rights attached to equity shares**  
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per equity share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c.) Shares in the Company held by each shareholder holding more than five per cent shares**

Name of the Shareholder	31.03.2022		31.03.2021	
	No.	% of Holding	No.	% of Holding
Shri.Prem Dinanath Aggarwal	3,714,330	37.00%	3,714,330	37.00%
Shikha Aggarwal Prem	1,218,000	12.13%	1,218,000	12.13%
<b>Total</b>	<b>4,932,330</b>	<b>49.13%</b>	<b>4,932,330</b>	<b>49.13%</b>

**d.) Shareholding of Promoters at the end of the period**

Name of the Shareholder	31.03.2022		31.03.2021	
	No.	% of Holding	No.	% of Holding
Shri.Prem Dinanath Aggarwal	3,714,330	37.00%	3,714,330	37.00%
Shikha Aggarwal Prem	1,218,000	12.13%	1,218,000	12.13%

As per the Companies Act, 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders

- d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.  
e) There is no dividend paid or proposed during the year and during the previous year.

B. OTHER EQUITY	Equity Instruments through Other Comprehensive Income	Changes in Own Credit Risk of Financial Liabilities measured at FVPL	Reserves and Surplus		
			Securities Premium Reserve	Retained Earnings	TOTAL
<b>Balance as at 1st April, 2019</b>	-	-	60.00	363.42	423.42
Other Comprehensive Income for the year 2018-19	-	-	-	-	-
Restated balance as at 1st April, 2019	-	-	60.00	363.42	423.42
Profit for the year 2019-2020	-	-	-	242.51	242.51
Other Comprehensive Income for the year 2019-2020	(10.01)	-	-	-	(10.01)
<b>Balance as at 31st March, 2020</b>	<b>(10.01)</b>	<b>-</b>	<b>60.00</b>	<b>605.93</b>	<b>655.91</b>
Profit for the year 2020-21	-	-	-	546.57	546.57
Premium Received on Issue of Shares	-	-	1,200.00	-	1,200.00
Bonus Issue	-	-	-	(334.61)	(334.61)
Other Comprehensive Income for the year 2020-21	111.80	-	-	-	111.80
<b>Balance as at 31st March, 2021</b>	<b>101.79</b>	<b>-</b>	<b>1,260.00</b>	<b>1,487.11</b>	<b>2,179.66</b>
Profit for the year 2021-22	-	-	-	148.80	148.80
Premium Received on Issue of Shares	-	-	-	-	-
Bonus Issue	-	-	-	-	-
Other Comprehensive Income for the year 2021-22	-	-	-	120.67	120.67
<b>Balance as at 31st March, 2022</b>	<b>101.79</b>	<b>-</b>	<b>1,260.00</b>	<b>1,635.91</b>	<b>2,449.13</b>

In terms of our report attached

<p><b>For N B T &amp; Co</b></p> <p><b>Chartered Accountants</b></p> <p>-Sd-</p> <p>Arpit Tapadiya Partner Membership No-182428 Firm Regd. No. 140489W Place: Mumbai Date : 30.05.2022</p>	<p><b>For and on behalf of the Board of Directors</b></p> <p>-Sd-</p> <p><b>Prem Aggarwal</b> Managing Director DIN: 02050297</p> <p>-Sd-</p> <p><b>Aditya Aggarwal</b> CFO PAN: BQJPA0155L Place: Tirupur Date : 30.05.2022</p>
	<p>-Sd-</p> <p><b>Shikha Aggarwal</b> Director DIN: 03373965</p> <p>-Sd-</p> <p><b>K. Lakshmi Priya</b> Company Secretary PAN: BBRPP6162M</p>

GARMENT MANTRA LIFESTYLE LIMITED (Formerly Known as Junction Fabrics and Apparels Limited) (CIN : L18101TZ2011PLC017586) NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022		
(Amount in Lakhs, unless otherwise stated)		
<b>Note 12</b>		
<b>Non Current Financial Liabilities - Borrowings</b>		
<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Secured</b>		
From Banks	118.63	118.83
From Others	-	-
Loans and advances from Directors	-	-
	118.63	118.83
<b>In case of continuing default as on the balance sheet date in repayment of loans</b>		
1. Period of default	-	-
2. Amount	-	-
<b>Unsecured</b>		
From Banks	-	-
From Financial Institutions	-	-
From Directors	2.00	78.50
	2.00	78.50
<b>In case of continuing default as on the balance sheet date in repayment of loans</b>		
1. Period of default	-	-
2. Amount	-	-
<b>Total</b>	<b>120.63</b>	<b>197.33</b>

Terms and Condition Attached to borrowings

**Bank Borrowings**

Rate of Interest	8.00%	8.00%
Repayable in Equated Monthly Installments		
Secured Against stock and book debts		
Collaterally Secured against hypothecation of the property of company and promoter		

<b>Note 13</b>			
<b>Deferred Tax Liabilities (Net)</b>			
<b>The balance comprises temporary differences attributable to:</b>			
<b>Particulars</b>		<b>31 March 2022</b>	<b>31 March 2021</b>
Depreciation and amortisation expense		(5.57)	(6.35)
Disallowance under Section 43B and 40(a) (ia) of the Income Tax Act, 1961		(1.70)	(3.26)
Provision for Gratuity		(18.24)	18.38
Provision for Bonus		-	3.50
<b>Total</b>		<b>(25.51)</b>	<b>12.27</b>
Deferred Tax (Liability)/Assets Impact		<b>(6.42)</b>	<b>3.09</b>
<b>Reflected in the Balance Sheet as follows:</b>			
Deferred Tax Liabilities(Net)		2.07	0.45
<b>Reconciliation of Deferred Tax Liabilities</b>			
At the start of the year		0.45	2.74
Change/(Credit) to Statement of Profit and Loss		1.62	(2.29)
<b>Net deferred tax assets / liabilities</b>		<b>2.07</b>	<b>0.45</b>

\* Earlier Year Effect has been given in current year

<b>Note 14</b>			
<b>Other Non Current Liabilities</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>Current</b>	
		<b>31.03.2021</b>	<b>31.03.2021</b>
Gratuity Provision		18.96	41.60
<b>Total</b>		<b>18.96</b>	<b>41.60</b>

<b>Note 15</b>			
<b>Current Financial Liabilities -Borrowings</b>			
<b>Particulars</b>		<b>31.03.2022 Amount</b>	<b>31.03.2021 Amount</b>
<b>Secured</b>			
<b>From banks</b>			
(a) Loans repayable on demand (Secured by hypothecation of inventories, book debts and machineries) (of the above, entire amount is guaranteed by Directors and/or others)		1,875.94	1,547.42
(b) Term Loans		389.50	19.87
Current Maturities of Long Term Debt		-	109.65
		2,265.44	1,676.94
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above</b>			
1. Period of default		-	-
2. Amount		-	-
<b>Grand Total</b>		<b>2,265.44</b>	<b>1,676.94</b>

Terms and Condition Attached therewith ;

**Bank Borrowings :**

Rate of Interest	8.00%	8.00%
Repayable on Demand		
Secured Against stock and book debts		
Collaterally Secured against hypothecation of the property of company and promoter		

The company regular in filed quarterly returns or statements of current assets with bank or financial institutions are in agreement with the books of accounts.

Company has submitted the Following in Quareterly Return for the Period ended March 31, 2022: -

Particulars	As per Return	As per Financials	Difference	Reason
Inventory	2,470.09	2,542.64	(72.55)	Difference is due to valuation adjustments and proper quantification as the time of preparation of Financials.
Book Debts	729.83	2,373.74	(1,643.91)	Debtors only upto 90 Days has been disclosed by the company while submitting the quarterly return

Note 16 Current Financial Liabilities - Trade Payables			
Particulars	31.03.2022		31.03.2021
<b>1. Total outstanding dues of micro enterprises and small enterprises</b>		-	31.70
<b>2. Total outstanding dues of Other than micro enterprises and small enterprises</b>			
(i) Creditors for Goods			
Payables within next 12 months		755.14	687.94
Payables after 12 months		-	-
(ii) Creditors for Expenses			
Payables within next 12 months		50.17	45.11
Payables after 12 months		-	0.63
(iv) Creditors for others			
Payables within next 12 months		-	-
Payables after 12 months		-	-
<b>Grand Total</b>		<b>805.31</b>	<b>765.38</b>

**Ageing as on March 31, 2022**

Particulars	Outstanding for Following periods from the due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-
Other	805.31	-	-	-	805.31
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

Note : (i) There is no Unbilled and not Due trade payables are outstanding at the period ended  
(ii) No Amount due in respect of MSME

Note 17 Other Current Liabilities			
Particulars	31.03.2022		31.03.2021
Advances from Contractors & Suppliers		21.26	27.61
Statutory Dues Payable		2.22	6.02
<b>Grand Total</b>		<b>23.48</b>	<b>33.63</b>

Note 18 Provisions- Current			
Particulars	31.03.2022		31.03.2021
(a) Provision for employee benefits		3.67	5.74
(b) Others (Specify nature)			
- Provision for Taxation		45.88	205.22
- Provision for Audit Fees		1.25	1.25
- Provision for Gratuity		11.05	6.65
<b>Grand Total</b>		<b>61.85</b>	<b>218.86</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

(Amount in Lakhs unless otherwise stated)

<b>Note 19</b>		
<b>Revenue from Operations</b>		
Particulars	31-03-22	31-03-21
<b>Sales</b>		
Sales of Products		
-Domestic	10,392.07	10,630.36
-Export	-	-
Sales of Services		
-Domestic Sales	16.83	17.20
-Export Sales	-	-
<b>Other Operating Revenue</b>	3.10	0.33
Less: Discount	20.11	18.21
<b>Total</b>	<b>10,392</b>	<b>10,629.68</b>

<b>Note 20</b>		
<b>Other Income</b>		
Particulars	31-03-22	31-03-21
Rental Income	13.20	15.60
Other Income	5.46	1.02
<b>Total</b>	<b>18.66</b>	<b>16.62</b>

<b>Note 21</b>		
<b>Cost of Material consumed</b>		
Particulars	31-03-22	31-03-21
<b>Cost of Material consumed</b>		
<b>Raw Materials and Stores</b>		
Opening Stock	308.32	298.59
Purchase	9,686.75	8,355.28
Less- Closing stock of materials meant for consumption	346.32	308.32
<b>Consumption of Material consumed</b>	<b>9,648.75</b>	<b>8,345.55</b>

<b>Note 22</b>		
<b>Changes in inventories of finished goods and stock-in-trade</b>		
Particulars	31-03-22	31-03-21
<b>Stock-in-Trade</b>		
Opening Stock of Work in Progress	253.73	252
Opening Stock of Finished Goods	1,566.55	2,024
Closing Stock of Work in progress	289.34	254
Closing Stock of Finished Goods	1,906.98	1,567
<b>Total</b>	<b>(376.05)</b>	<b>455</b>

<b>Note 23</b>		
<b>Employee Benefits Expense</b>		
Particulars	31-03-22	31-03-21
(A) Salaries, Wages And Incentives Incl Bonus	121.55	88.23
(B) Contributions To -		
(I) Provident Fund	0.72	0.47
(C) Gratuity Fund Contributions	10.17	7.03
(D) Social Security And Other Benefit Plans For Overseas Employees	-	-
(E) Expense On Employee Stock Option Scheme (Esop) And Employee Stock Purchase Plan (Espp),	-	-
(F) Staff Welfare Expenses	23.37	16.69
<b>Total</b>	<b>155.81</b>	<b>112.41</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101T2011PLC017586)  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022**

Defined Contribution Plans		
expense for the year is as under		
Particulars	31-03-22	31-03-21
Employer's Contribution to Provident Fund	-	-
Defined Benefit Plan		
<b>(i) Reconciliation of opening and closing balances of</b>		
Defined Benefit Obligation at beginning of the year	48.25	29.87
Interest Cost	3.02	1.80
Current Service Cost	7.15	5.22
Liability Transferred In/ Acquisitions	0.44	-
(Liability Transferred Out/ Divestments)	(1.68)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.16)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.62)	1.00
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	(26.56)	10.52
	-	
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>30.00</b>	<b>48.25</b>
<b>(ii) Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	7.15	5.22
Net Interest Cost	3.02	1.80
Past Service Cost - Recognized	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
<b>Expenses Recognized in the Statement of Profit or Loss</b>	<b>10.17</b>	<b>7.03</b>
<b>(ii) Expenses Recognized in the Statement of Other Comprehensive Income for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(27.18)	11.35
<b>Expenses Recognized in the Statement of OCI</b>	<b>(27.18)</b>	<b>11.35</b>
<b>Actuarial Assumptions</b>		
Expected Return on Plan Assets	NA	NA
Rate of Discounting	6.84%	6.26%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	10.00%	10.00%
Retirement Age		58 Years
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	
Mortality Rate After Employment	NA	NA
<b>Note 24</b>		
<b>Finance Cost</b>		
Particulars	31-03-22	31-03-21
Interest Expense	157.07	165.11
Other Borrowing Costs	1.04	6.52
Chit Discounts	-	-
<b>Total</b>	<b>158.12</b>	<b>171.62</b>
<b>Note 25</b>		
<b>Deprication and Amortization</b>		
Particulars	31-03-22	31-03-21
Depreciation	32.84	28.59
Amortization		
<b>Total</b>	<b>32.84</b>	<b>28.59</b>
<b>Note 26</b>		
<b>Rent Expense</b>		
Particulars	31-03-22	31-03-21
Rent	37.42	28.76
<b>Total</b>	<b>37.42</b>	<b>28.76</b>
<b>Note 27</b>		
<b>Other Expenses</b>		
Particulars	31-03-22	31-03-21
<b>Administrative and General Expenses</b>		
Professional and Consultancy	47.26	58.24
Rates and Taxes	5.74	6.44
Power and Fuel	17.82	3.56
Printing and Stationery	3.86	1.72
Insurance Expenses	4.23	5.71
Postage and Telegram	5.89	6.68
Freight and forwarding Charges	21.46	16.06
Repairs To Buildings	26.71	12.10
Repairs To Machinery (Electrical Maintenance)	8.62	11.54
Vehicle Maintenance	3.79	2.38
Other Maintenance	29.01	5.49
Other Manufacturing Expenses	70.21	355.58

<b>GARMENT MANTRA LIFESTYLE LIMITED</b>		
(Formerly Known as Junction Fabrics and Apparels Limited)		
(CIN : L18101T2011PLC017586)		
<b>NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31-03-2022</b>		
Managing Director Remuneration	16.88	45.00
Directors Remuneration	16.88	72.00
Discount	6.93	8.03
Security Charges	0.29	0.79
Water Charges To Nap	2.68	1.63
Electricity And Lightings	-	4.27
Miscellaneous Expenses	24.79	32.18
Provision for Impairment Loss on Debtors	3.00	-
CSR Expense	8.50	-
Sundry Balances Written off	96.77	-
<b>Selling and Distribution Expenses</b>		
Advertisement and Sales promotion	101.23	84.49
Travelling and Conveyance	33.65	17.36
		-
<b>Auditor's Remuneration:</b>		
(i) For audit	0.75	0.75
(ii) For taxation matters	0.50	0.50
(iii) For Certification services	-	-
(vi) Company Law Matters & Others	-	-
<b>Total</b>	<b>557.43</b>	<b>752.49</b>

**Note 28**

**Exceptional Items**

Particulars	Note No.	31-03-22	31-03-21
Profit on sale of Fixed Assets		0.07	-
<b>Total</b>		<b>0.07</b>	<b>-</b>

**Note 29**

**Tax Expense**

Particulars	Note No.	31-03-22	31-03-21
Current tax expense		45.88	205.22
Deferred Tax		(1.62)	2.29
Adjustment in respect of Previous Year		-	2.54
<b>Total</b>		<b>44.26</b>	<b>210.05</b>
<b>Income tax expense attributable to:</b>			
Profit from Continuing Operations		148.80	546.57
Profit from Discontinuing Operations		-	-
<b>Total</b>		<b>148.80</b>	<b>546.57</b>
<b>Total current tax expense comprises of the following:</b>			
Current Tax relating to current reporting period		45.88	205.22
<b>Total Deferred Tax expense / (benefits) comprises of the following:</b>			
Amount of deferred tax expense (income) relating to origination and reversal of temporary differences		1.62	(2.29)

**Note 30**

**Other Comprehensive Income**

Particulars	31-03-22	31-03-21
a) Items that will not be reclassified to Profit or Loss		
i) Re-measurement gains/ (losses) on defined benefit plans	28.41	(11.35)
ii) Fair value gains/ (losses) on equity instruments	92.26	123.15
<b>Total</b>	<b>120.67</b>	<b>111.80</b>



**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
Notes to the Standalone Financial Statements as at 31-03-2022

(Amount in Lakhs, unless otherwise stated)

<b>31</b>	<b>Contingent Liabilities and Capital Commitment</b>
	(i) There is no contingent liabilities as at 31st March, 2022 except to Corporate Guarantee provided for the Loan to its Wholly Owned Subsidiary Jannat Fabrics and Apparels Private Limited and no such contingent liability as at 31st March, 2021.
	(ii) <b>Capital Commitments</b> There is no capital commitments as at 31st March, 2022 and as at 31st March, 2021.

Earnings Per Share:		(Rupees in Lakhs)	
		31-03-22	31-03-21
<b>32</b>	<b>Particulars</b>		
	Net Profit after tax attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. in Lakhs)	148.80	546.57
		<b>148.80</b>	<b>546.57</b>
	Weighted Average Number of Equity Shares (Face Value Rs. 10/-)	100.38	80.88
	Earning Per Share in Rupees - Basic and diluted	1.48	6.76
	Face Value of per Equity Share (in Rs.)	10.00	10.00

Employee Benefit Expenses:		(Rupees in Lakhs)	
		31-03-22	31-03-21
<b>33</b>	<b>Particulars</b>		
	(A) Salaries, Wages And Incentives Incl Bonus	121.55	88.23
	(B) Contributions To -		
	(I) Provident Fund (II) Superannuation Scheme	0.72	0.47
	(C) Gratuity Fund Contributions	10.17	7.03
	(D) Social Security And Other Benefit Plans For Overseas Employees	-	-
	(E) Expense On Employee Stock Option Scheme (Esop) And Employee Stock Purchase Plan (Espp).	-	-
	(F) Staff Welfare Expenses	23.37	16.69
	<b>Total</b>	<b>155.81</b>	<b>112.41</b>

<b>34</b>	<b>Segment Information:</b> No separate disclosure for Segment Reporting to be made in the financial statements of the Company.
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Related Party Disclosure:		(Rupees in Lakhs)	
Parties which significantly influence / are influenced by the company (either individually or with others) -			
<b>36</b>	(i) <b>Key Management Personnel</b>	<b>Designation</b>	
	a	Miss. K. Lakshmi Priya	Company Secretary
	b	Mr. Aditya Aggarwal	CFO
	c	Mr. Prem Dinanath Aggarwal	Managing Director
	d	Miss Shikha Aggarwal	Director
	e	Ms. Ashmita Aggarwal	Director
	f	Mr. Anil Kumar Goyal	Independent Director
	g	Mr. Subramanian Thirumurugan	Independent Director
	h	Mr. Ramasubramaniam Senthilrajagopal	Independent Director
	(ii) <b>Companies/Entities under the Control of Key Management Personnel</b>		
a	Jannat Fabrics and Apparels Private Limited		
b	Beatle Apparels		
c	Twenty Twenty LLP		
Note:- Related party transaction with related parties during the year ended on 31.03.2022			
(iii)	<b>Transactions</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
		<b>Rs.</b>	<b>Rs.</b>
1	<b>Loan Taken</b>	98.88	233.84
2	<b>Loans Repaid</b>	175.38	115.34
3	<b>Remuneration</b>	68.52	130.40
4	<b>Rent</b>	7.00	13.20
5	<b>Purchases</b>	1,573.63	3,978.96
6	<b>Rent Received</b>	13.20	15.60
7	<b>Sales</b>	-	-
	Outstanding Balances		
	Unsecured Loans	2.00	78.50
	Trade Payable	(50.04)	0.00
* Negative Balance Exhibits Debit Balance Outstanding			
(iii)	<b>Details of Transactions</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
		<b>Rs.</b>	<b>Rs.</b>
1	<b>Loan Taken</b>		
	Mr. Prem Aggarwal	58.09	105.21
	Mrs. Shikha Aggarwal	28.09	1.50
	Mr. Aditya Aggarwal	-	0.63
	Ms. Ashmita Aggarwal	12.70	126.50
2	<b>Loans Repaid</b>		
	Mr. Prem Aggarwal	97.09	113.21
	Mrs. Shikha Aggarwal	28.09	1.50
	Mr. Aditya Aggarwal	-	0.63
	Ms. Ashmita Aggarwal	50.20	-
3	<b>Remuneration</b>		
	Mr. Prem Aggarwal	16.88	45.00
	Mrs. Shikha Aggarwal	16.88	45.00
	Mr. Aditya Aggarwal	10.25	8.00
	Miss. K. Lakshmi Priya	5.40	5.40
	Ms. Ashmita Aggarwal	10.12	27.00
	Ms. Tanvi Aggarwal	9.00	-
4	<b>Rent</b>		
	Mr. Prem Aggarwal	7.00	12.00
	Jannat Fabrics and Apparels Private Limited	-	1.20
5	<b>Purchases</b>		
	Jannat Fabrics and Apparels Private Limited	801.83	2,604.07
	Twenty Twenty Trading LLP	548.54	1,127.80
	Beatle Apparels	223.27	247.10
6	<b>Rent Received</b>		
	Twenty Twenty Trading LLP	13.20	15.60

<b>37</b>	<b>Operating Leases :</b> The Company has taken certain premises under cancellable lease which are upto one year . the rental expense under such operating leases during the year Rs.37,42,457- (Previous Year 28,76,100/-).
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<b>38</b>	In accordance with the India Accounting Standards (AS-2) "Valuation of Inventories", in relation to Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value.
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## A. Financial risk management

The Company's activities are exposed to a variety of market risk (including foreign currency risk and interest risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

## i. Market Risk

Market rate is the risk that arises from changes in market prices, such as commodity prices, foreign exchange rates, interest rates etc. and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising returns.

## a. 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. Currently company not take any loan facility and use own fund for its business so interest risk is very low.

## b. Foreign Currency Exchange Rate Risk

Company not do any transaction in foreign currency so company has no risk.

## ii. Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Company performs on-going credit evaluation of its counterparties' financial conditions. The Company's major classes of financial assets are cash and bank balances, trade receivables, Security deposits, Advances to Suppliers and Employees, Unbilled Revenues and prepayments.

As at the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

As at the reporting date, substantially all the cash and bank balances as detailed in Note 8 to the financial information are held in major Banks which are regulated and located in the India, which management believes are of high credit quality.

Summary of the company's exposure to credit risk by age of the outstanding from various customers is as follows:

**Trade Receivable**

Particulars	As at	As at
	31 March 2022	31 March 2021
Unsecured		
-Considered good	2,376.74	2,429.37
Less: Loss Allowance	3.00	-
Net Trade Receivables	2,373.74	2,429.37

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

## ii) Loans and financial assets measured at amortized cost

Loans and advances given comprises of inter Company loans hence the risk of default from these companies are remote. The Company monitors each loans and advances given and makes any specific provision wherever required.

## iii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of INR 9,58,311 at December 31, 2021 (March 31, 2021: INR 24,93,121 ). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

## iv. Others

Apart from trade receivables , the Company has no other financial assets which carries any significant credit risk.

## (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

## (i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual maturities of financial liabilities 31 March 2022	1 year or less	1-3 years	More than 3 years	Total
	Long Term Borrowings	113.77	4.86	2.00
Short Term Borrowings	2,265.44	-	-	2,265.44
Trade Payable	805.31	-	-	805.31
	3,184.53	4.86	2.00	3,191.38

Contractual maturities of financial liabilities 31 March 2021	1 year or less	1-3 years	More than 3 years	Total
	Long Term Borrowings	187.22	6.84	3.27
Short Term Borrowings	1,676.94	-	-	1,676.94
Trade Payable	765.38	-	-	765.38
	2,629.54	6.84	3.27	2,639.66

## (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	As at
	31 March 2022	31 March 2021
Variable rate borrowings	2,384.07	1,686.12
Fixed rate borrowings	2.00	78.50

## Sensitivity:

A change of 100 basis points in interest rates would have following impact on profit before tax and equity -

Particulars	As at	As at
	31 March 2021	2020
Interest rates – increase by 100 basis points	17.64	12.48
Interest rates – decrease by 100 basis points	(17.64)	(12.48)

## (iii) Price Risk

The Company's exposure to Silver Articles is exposed to price risk and classified in the balance sheet at fair value through OCI. 100 bps increase in price of silver would increase profit before tax by approximately INR 13,744 31 March 2022 (31 March 2021: NIL). A similar percentage decrease would have resulted equivalent opposite impact.

The Company manages its capital to ensure that the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Currently, Company have no debt in company and use own capital and reserve and surplus. The Company's adjusted net debt to equity ratio is as follows -

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>Borrowings</b>		
Long term and Short term borrowings	2,386.07	1,874.28
Less: cash and cash equivalents	9.18	55.49
<b>Adjusted net debt</b>	<b>2,376.89</b>	<b>1,818.78</b>
Total Equity	2,449.13	2,179.66
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.97</b>	<b>0.83</b>

## Financial Instruments measurements and disclosures

a) Financial Instruments by Category		FVTPL	FVOCI	Amortised	Total carrying
As on March 31, 2022					
<b>Financial Assets:</b>					
<b>Measured at Fair Value</b>					
<b>Investments</b>					
Unquoted Equity Share	-	-	1,146.35	-	1,146.35
Other Unquoted Investments	-	-	13.74	-	13.74
<b>Not Measured at Fair Value</b>					
Unquoted Equity Share	-	-	-	35.10	35.10
Long Term Advances	-	-	-	34.45	34.45
Trade Receivables	-	-	-	2,373.74	2,373.74
Cash and cash equivalents	-	-	-	9.18	9.18
Deposits	-	-	-	0.64	0.64
Short Term Advances	-	-	-	146.41	146.41
<b>Total</b>	-	-	<b>1,160.10</b>	<b>2,599.52</b>	<b>2,599.52</b>
<b>Financial liabilities:</b>					
<b>Not measured at fair value</b>					
Long Term Borrowings	-	-	-	120.63	120.63
Short Term Borrowings	-	-	-	2,265.44	2,265.44
Trade Payable	-	-	-	805.31	805.31
<b>Total</b>	-	-	-	<b>3,191.38</b>	<b>3,191.38</b>

Financial Instruments by Category		FVTPL	FVOCI	Amortised cost	Total carrying value
As on March 31, 2021					
<b>Financial Assets:</b>					
<b>Measured at Fair Value</b>					
<b>Investments</b>					
Unquoted Equity Share	-	-	1,053.44	-	1,053.44
<b>Not Measured at Fair Value</b>					
Unquoted Equity Share	-	-	-	35.10	35.10
Long Term Advances	-	-	-	45.45	45.45
Trade Receivables	-	-	-	2,429.37	2,429.37
Cash and cash equivalents	-	-	-	55.49	55.49
Deposits	-	-	-	-	-
Short Term Advances	-	-	-	11.77	11.77
<b>Total</b>	-	-	<b>1,053.44</b>	<b>2,577.18</b>	<b>3,630.62</b>
<b>Financial liabilities:</b>					
<b>Not measured at fair value</b>					
Long Term Borrowings	-	-	-	197.33	197.33
Short Term Borrowings	-	-	-	1,676.94	1,676.94
Trade Payable	-	-	-	765.38	765.38
Other Current Liabilities	-	-	-	109.65	109.65
<b>Total</b>	-	-	-	<b>2,749.31</b>	<b>2,749.31</b>

## b) Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As on March 31, 2022	Level 1	Level 2	Level 3	Total
	Rs. In Lakhs			
<b>Financial Assets:</b>				
<b>Measured at Fair Value</b>				
<b>Investments</b>				
Equity Share	-	-	1,146.35	1,146.35
Other Unquoted Investments	13.74	-	-	13.74
<b>Not Measured at Fair Value (Refer Footnotes)</b>				
<b>Total</b>	<b>13.74</b>	<b>-</b>	<b>1,146.35</b>	<b>1,160.10</b>

As on March 31, 2021	Level 1	Level 2	Level 3	Total
	Rs. in Lakhs			
<b>Financial Assets:</b>				
<b>Measured at Fair Value</b>				
<b>Investments</b>				
Equity Share	-	-	1,053.44	<b>1,053.44</b>
<b>Not Measured at Fair Value (Refer Footnotes)</b>				
<b>Total</b>	-	-	<b>1,053.44</b>	<b>1,053.44</b>

**c) Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**d) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

a) the use of quoted market prices for the equity instruments

b) the fair value of the unlisted shares are determined based on the income approach or the comparable mark approach. For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

c) the fair value of the remaining financial instruments is determined using the discounted cash flow analysis

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**Gratuity And Other Post-Employment Benefit Plans**

The Company operates gratuity plan in a way wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. Company only provides from provision and when a sum is payable is paid immediately, No such fund has been created for the purpose of Gratuity Payment.

The Company provides for provision based on the actuarial valuation report.

**The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and Balance Sheet :**

Net benefit expense recognised through the Statement of Profit and Loss

		<b>31.03.2022</b>	<b>31.03.2021</b>
Current Services Cost		7.15	5.22
Interest Cost		3.02	1.80
Actuarial Losses/(Gains)		(27.18)	11.35
	Expense Recognized in Profit & Loss	10.17	18.38
	Expense Recognized Through OCI	(27.18)	11.35
	Total	(17.01)	29.73

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	<b>31.03.2022</b>	<b>31.03.2021</b>
Opening defined benefit obligation	48.25	29.87
Interest Cost	3.02	1.80
Current Service Cost	7.15	5.22
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	-	(0.16)
Changes in financial assumptions	(0.62)	1.00
Experience adjustments	(26.56)	10.52
Net Liability/(Asset) Transfer In/Out	(1.23)	
Present Value of Benefit Obligation at the End of the Period	30.00	48.25

**Balance Sheet Reconciliation**

Opening Net Liability	48.25	29.87
Expense Recognized in Statement of Profit or Loss	10.17	7.03
Expense Recognized in Other Comprehensive Income	(27.18)	11.35
Net Liability/(Asset) Transfer In/Out	(1.23)	
Benefit Paid	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	30.00	48.25

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**i. Non-current assets**

All non-current assets of the company are located in India.

**ii Going Concern-**

The annual financial statement have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations will occur in ordinary course of business

**iii Events after the reporting period-**

There are no events after the balance sheet date that require disclosures.

**iv. Approval of financial statements**

These financial statements were approved by the board of directors and authorised for issue on 30th May, 2022.

## Other Disclosures

i The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority

ii **No relationship with the Struck off Companies**

The Company has attempted to discover whether there has been any transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 but it has not found any of its vendor/client whose name has been struck off

iii **Compliance with number of layers of companies:** The company has complied with the number of layers prescribed under the companies

iv **Statement of unhedged foreign currency exposure:**

The Company's has no foreign currency exposure.

v **Regrouping and Classification:**

Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

**Key management personnel compensation:**

Particulars		
	For the Year ended 31 March 2022	For the Year ended 31 March 2021
KMP Remuneration:		
Salaries and Allowances	68.52	130.40

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the Company as a whole and hence excluded.

E. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party

<b>(xii) Following Ratios to be disclosed:-</b>								
	<b>Numerator</b>	<b>Denominator</b>	<b>Ratio for the Year ended 31 March 2022</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Ratio for the Year ended 31 March 2021</b>	<b>Change</b>	<b>Explanation for change in the ratio by more than 25% as compared to the previous year</b>
Current Ratio= Current assets/ Current liabilities	5178.79	3156.08	1.64	4656.47	2,694.82	1.73	-5.04%	NA
Debt-Equity Ratio=Total Borrowings/ Shareholder's equity	2386.07	3452.97	0.69	1874.28	3,183.50	0.59	17.37%	NA
Debt Service Coverage Ratio = Earnings available for debt service/ Debt service	387.2594	158.1170	2.45	952.00	171.62	5.55	-55.85%	Huge Reduction in Profit resulted in drastic change in the ratio
Return on Equity Ratio = Net Profits after taxes/ Average shareholder's equity	148.80	3318.24	0.04	546.572	2,475.39	0.22	-79.69%	Huge Reduction in Profit resulted in drastic change in the ratio
Inventory turnover ratio = Revenue from operations/ Average inventory	10391.89	2335.62	4.45	10629.68	2,351.27	4.52	-1.58%	NA
Trade Receivables turnover ratio = Net credit revenue from operations/ Average trade receivables	10391.89	2401.55	4.33	10629.68	2,116.91	5.02	-13.82%	NA
Trade payables turnover ratio = Net credit purchases/ Average trade payables	9686.75	785.35	12.33	8355.28	996.85	8.38	47.16%	
Net capital turnover ratio = Revenue from operations/ Working capital	10391.89	2022.71	5.14	10629.68	1961.66	5.42	-5.19%	NA
Net profit ratio = Net profit/ Revenue from operations	148.803	10391.89	0.01	546.57	10,629.68	0.05	-72.15%	Huge Reduction in Profit resulted in drastic change in the ratio
Return on Capital employed = EBIT/Capital employed (Average Total Equity + Debts)	354.414	3573.601	0.10	923.66	3,380.84	0.27	-63.70%	Huge Reduction in Profit resulted in drastic change in the ratio
Note: The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.								



## **Notes to Standalone Financial Statements**

### **Company Background**

Garment Mantra Lifestyle Limited formerly known as Junction Fabrics and Apparels Limited (the 'Company') is a listed public limited Company incorporated under the Indian Companies Act 1956. The Company is engaged in the business of manufacturing, selling and distribution of fabrics, hosiery garments and providing of related services.

The registered office of the Company is located at No.15, Murthy's Plaza Kariagounder Street, Khaderpet Tirupur Erode, Tamilnadu – 641601, India.

The financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 30<sup>th</sup> May, 2022.

### **Significant Accounting Policies**

#### **1. Basis of preparation of financial statements**

##### **(a) Basis of Accounting:**

The financial statements have been prepared and presented under the historical cost convention except for following assets and liabilities which have been measured at fair value;

1. Certain Financial Assets and Liabilities (including derivative instruments),
2. Defined Benefit Plans

The Financial Statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest rupee except when otherwise indicated.

##### **(b) Use of Estimates:**

In the application of accounting policy, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The few critical estimations and judgments made in applying accounting policies are:

##### **i. Property, Plant and Equipment:**

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Specified in Schedule II to



the Companies Act, 2013.

ii. Income Taxes:

Significant judgment is required in determining the amount for income tax expenses. There are many transactions and positions for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amount that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iii. Inventories:

Inventory Obsolescence is based on assessment of the future uses. In all cases, inventory is carried at the lower of cost and net realizable value.

iv. Impairment of Non-Financial Assets:

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

v. Impairment of Financial assets

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

**(c) Current/Non Current Classification:**

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

A. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after a reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after a reporting period.

All other assets are classified as non-current.

B. Liability is current when:





- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

## **2. Property, Plant and Equipment**

The Company has elected to continue with the carrying value of property, Plant and Equipment ('PPE') recognized as of 1st April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost include purchase price after deducting trade discount / rebate, import duty, non-refundable taxes, cost of replacing the component parts, borrowing cost and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

An item of PPE is derecognized on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is de-recognized.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognized.

Depreciation is charged so as to allocate the cost of assets less their residual values, if any, over their estimated useful lives, using the written down value method except intangible assets. Depreciation on intangible assets is provided on straight line basis. The following useful lives are considered for the depreciation of property, plant and equipment:

Description of the Asset	Estimated Useful Life
Furniture & fixtures	10 Years
Buildings	60 Years
Office Equipment	5 Years
Air Conditioner	10 Years
Electricity Fittings	10 Years

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised accordingly to reflect the new expectations.

The residual values, useful lives and methods of depreciation of properties, plant and equipment are reviewed



at each financial year end and adjusted prospectively, if appropriate.

**Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**Intangible assets under development:**

The amount disclosed as 'Intangible asset under development' represents assets purchased/acquired and not available for use, as at the date of Statement of Financial Position.

An item of Intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from de-recognition of an intangible asset measured as the difference between the net disposals proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

**Impairment of Tangible (PPE) and Intangible Assets:**

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets where it is not possible to estimate the recoverable amount of an individual asset), is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in Statement of Profit and Loss.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.



### **3. Revenue Recognition**

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

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

#### **Sale of Goods:**

Revenue from the sale of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Sale is recognized when no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### **Dividend Income:**

Dividend is recognized when right to receive is established, which is generally when shareholders approve the dividend.

#### **Interest Income:**

Interest income on financial assets measured at amortized cost is recognized on time proportion basis, using effective interest method.

### **4. Lease Accounting**

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

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased items (i.e. PPE), are generally capitalized at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between finance charges and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the Statement of Profit and Loss.

Lease in which significant portion of the risks and rewards of ownership are not transferred to the Company as lessee is classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss over the period of lease on straight line basis other than those cases where the escalation are linked to expected general inflation in which case they are charged on contractual terms.

### **5. Inventory**

(a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.



(b). In determining cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost methods used. Cost of inventory comprises 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.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, inappropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## **6. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### **Financial assets:**

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise trade receivables. Cash and cash equivalents, bank balances, investment in equity shares of Companies, investment other than in equity shares, loans / advances to employees / related parties / others, security deposit, claims recoverable etc.

### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. When transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

### **Subsequent measurement**

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

- Financial asset measured at amortised cost
- Financial asset at fair value through OCI
- Financial assets at fair value through profit or loss

### **Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on



acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss in finance costs.

### **Financial assets at fair value through OCI (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if the financial 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. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). On Derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognized in OCI is reclassified to income statements.

### **Financial assets at fair value through profit or loss (FVTPL)**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of profit and loss.

### **De-recognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds receivables.

### **Impairment of financial assets**

The Company assesses impairment based on expected credit loss (ECL) model on the following:  
Financial assets that are measured at amortized cost.

Financial assets measured at fair value through other comprehensive income (FVTOCI)  
ECL is measured through a loss allowance on a following basis:-

The 12 month expected credit losses (expected credit losses that result from all possible default events on the financial instruments that are possible within 12 months after the reporting date)

Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the



Company to track changes in credit risk. However, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

### **Financial liabilities and equity instruments:**

#### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### **Financial liabilities**

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

#### **Initial Recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognized in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

#### **Subsequent measurement**

Subsequent measurement of financial liabilities depends upon the classification as described below: -

#### **Financial Liabilities classified at Amortized Cost:**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. Amortized cost is calculated by taking into account any



discount or premium on acquisition and fees or costs that are integral part of the Effective Interest Rate. Interest expense that is not capitalized as part of cost of assets is included as Finance costs in the Statement of Profit and Loss.

### **Financial Liabilities at Fair value through profit and loss (FVTPL)**

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged/cancelled/expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### **Offsetting of financial instruments**

Financial assets and liabilities are offset and net amount is reported if there is currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, to realize assets and settle the liabilities simultaneously.

## **7. Transactions in Foreign Currency**

### **(a) Initial recognition:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

### **(b). Measurement of foreign currency items at the Balance Sheet date:**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### **(c). Forward exchange contracts:**

The Company had not entered into any forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company had not entered into any derivative instruments for trading or speculative purposes.

## **8. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value (at carrying value) and subsequently measured at amortised cost using the effective interest method, less provision for impairment if require.

## **9. Employee Benefits**





### **A. Short Term Employee Benefits:**

All employee benefits payable wholly within twelvemonths of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### **B. Post-employment benefits:**

#### (a) Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

#### (b) Defined benefit plans

#### Provident fund scheme

The Company makes specified monthly contributions towards Employee Provident Fund scheme, for the eligible employees.

#### (c) Gratuity scheme

The Company has created provision for gratuity based on the report issued by Actuaries.

## **10. Research and Development**

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

## **11. Provision for Taxation**

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.

## **12. Provisions and Contingencies**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that





may, but probably will not require an outflow of resources. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

### **13. Earnings per Share**

The Basic and Diluted Earnings per Share (“EPS”) is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.

### **14. Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

### **15. Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

### **16. Government Grants and Subsidies**

The Company is not entitled to any subsidy from government authorities in respect of manufacturing units located in specified regions: Grants in the nature of subsidy which are nonrefundable are credited to the Statement of Profit and Loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

### **17. Measurement of EBITDA**

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations.

### **18. Segment Reporting**

#### **i) Business Segment**

- a. The business segment has been considered as the primary segment.
- b. The Company’s primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- c. The Company’s primary business comprises of manufacturing of knitted garments and trading of fabrics and since it is the only reportable segment as envisaged in Accounting Standard 17. ‘Segment Reporting’. Accordingly, no separate disclosure for Segment Reporting to be made in the financial statements of the Company.

**ii) Geographical Segment**

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. The company provides products or services only through single establishment. Accordingly, no separate disclosure for Segment Reporting to be made in the financial statements of the Company

**19. Details of Shareholders holding more than 5% equity shares in the Company**

Name of the share holders	As on 31.03.2022		As on 31.03.2021	
	Number of Equity Shares	Percentage of holding	Number of Equity Shares	Percentage of holding
Prem Dinanath Aggarwal	37,14,330	37.00	37,14,330	37.00
Shikha Aggarwal	12,18,000	12.13	12,18,000	12.13
<b>Total</b>	<b>49,32,330</b>		<b>49,32,330</b>	

**21 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Rs. Nil (PY Rs. 31,69,725)/- and Interest due on above- Nil (During 2020-21 Nil)

(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period Nil (During 2020-21 Nil)

(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 Nil (During 2020-21 Nil)

(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year Nil (During 2020-21 Nil)

(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises Nil (During 2020-21 Nil)

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

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

**Independent Auditor's Report**

**To the Members of M/s. Garment Mantra Lifestyle Limited  
(Formerly Known as Junction Fabrics and Apparels Limited)**

**Report on the Consolidated Financial Statements****Opinion**

We have audited the accompanying Consolidated financial statements of Garment Mantra Lifestyle 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 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 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 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

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

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Consolidated financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

### **Responsibilities of management and those charged with governance for the Consolidated financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

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

### **Auditor's Responsibilities for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with



reference to Consolidated financial statements 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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- 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss (including comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were 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



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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.

**For N B T & Co.**

Chartered Accountants  
Firm Registration No.: 140489W

-Sd-

Arpit Tapadiya  
Partner  
Membership No. 182428

Place: Mumbai

Date – 30.05.2022

UDIN – 22182428AJXSQM4793

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GARMENT MANTRA LIFESTYLE LIMITED (FORMERLY KNOWN AS JUNCTION FABRICS AND APPARELS LIMITED)**

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

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

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

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal





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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated 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 consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 N B T & Co.**

**Chartered Accountants**

Firm Registration No. : 140489W

-Sd-

Arpit Tapadiya

Partner

Membership No. 182428

Place: Mumbai

Date – 30.05.2022

UDIN - 2182428AJXSQM4793

**“Annexure B” to the Independent Auditors’ Report**

(Referred to in our report of even date to the members of **GARMENT MANTRA LIFESTYLE LIMITED (FORMERLY KNOWN AS JUNCTION FABRICS AND APPARELS LIMITED)** as at and for the year ended 31<sup>st</sup> March, 2022).

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

(xxi) According to the information and explanations given to us, in respect of the following companies incorporated in India and included in the consolidated financial statements:

<b>Name of Entities</b>	<b>CIN</b>	<b>Subsidiary/Associate</b>
Jannat Fabrics and Apparels Private Limited	U18101TZ2013PTC019376	Subsidiary

The report Issued by the Auditor does not contain any qualification or adverse remark.

For N B T & Co.

Chartered Accountants

Firm Registration No.: 140489W

-Sd-

Arpit Tapadiya

Partner

Membership No. 182428

UDIN - 2182428AJXSQM4793

Place : Mumbai

Date – 30.05.2022

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022**

Amount in Lakhs

Particulars	Notes.	As at 31-03-2022	As at 31-03-2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a) Property, Plant and Equipment	2	687.17	648.06
b) Investment Property			-
c) Intangible Assets under development			-
d) Financial Assets			
(i) Investments	3	66.59	52.85
(ii) Loans & Advances	4	79.65	131.36
(ii) Deposits	5	25.78	0.64
f) Other non current assets		-	-
g) Deferred Tax Assets (net)	14	23.66	20.05
<b>(2) Current Assets</b>			
a) Inventories	6	5,320.60	4,951.56
b) Financial Assets			
(i) Trade Receivables	7	3,183.75	3,295.61
(ii) Cash and cash Equivalents	8	265.54	138.67
(iii) Advances	9	304.13	199.25
c) Other current assets	10	155.35	120.90
<b>TOTAL ASSETS</b>		<b>10,112.21</b>	<b>9,558.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
a) Equity Share Capital		1,003.84	1,003.84
b) Other Equity	11	2,422.60	2,093.80
c) Money received against share warrants		-	-
d) Non Controlling Interest	12	161.00	101.82
<b>II. Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
i) Financial Liabilities			
a) Borrowings	13	818.50	960.60
b) Other Financial Liabilities		-	-
ii) Deferred Tax Liabilities (Net)		-	-
iii) Other Non Current Liability	15	38.84	42.60
<b>(2) Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	16	3,545.96	2,904.54
(ii) Trade Payables	17	1,891.88	2,028.93
b) Other current liabilities	18	50.70	53.90
c) Provisions	19	172.51	362.52
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,105.83</b>	<b>9,552.56</b>
Summary of significant accounting policies 1			
The accompanying notes are integral part of these financial statements			
In terms of our report attached		<b>For and on behalf of the Board of Directors</b>	
<b>For N B T &amp; Co</b>			
<b>Chartered Accountants</b>			
-Sd- <b>Arpit Tapadiya</b> Partner Membership No-182428 Firm Regd. No. 140489W UDIN NO: 22182428AJXSQM4793	-Sd- <b>Prem Aggarwal</b> Managing Director DIN: 02050297  -Sd- <b>Aditya Aggarwal</b> CFO PAN: BQJPA0155L	-Sd- <b>Shikha Aggarwal</b> Director DIN: 03373965  -Sd- <b>K. Lakshmi Priya</b> Company Secretary PAN: BBRPP6162M	
Place: Mumbai	Place: Tirupur		
Date : 30.05.2022	Date : 30.05.2022		

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)

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

Amount in Lakhs

Particulars	Notes.	31.03.2022	31.03.2021
<b>I INCOME</b>			
Revenue from Operations	20	20,389.88	16,770.14
Other Income	21	21.57	18.56
<b>TOTAL INCOME</b>		<b>20,411.45</b>	<b>16,788.70</b>
<b>II EXPENSES</b>			
Cost of material consumed	22	16,200.78	11,715.17
Purchase of Stock in Trade	23	1,273.74	1,509.28
Changes in inventories of Finished Goods and Stock-in-Trade	24	8.60	(82.73)
Employee Benefit expenses	25	312.65	256.37
Finance Cost	26	357.58	353.53
Depreciation and Amortisation expenses	2	96.42	70.36
Rent Expenses	27	107.81	90.61
Manufacturing Expenses	28	815.33	1,032.65
Power & Fuel	29	40.72	23.16
Other Expenses	30	741.83	721.77
<b>TOTAL EXPENSES</b>		<b>19,955.46</b>	<b>15,690.16</b>
<b>PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>455.99</b>	<b>1,098.54</b>
<b>III. EXCEPTIONAL ITEMS</b>	31	0.07	-
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>456.06</b>	<b>1,098.54</b>
<b>IV TAX EXPENSE</b>	32		
(1) Current Tax		92.08	310.59
(2) Deferred Tax		(3.62)	(5.32)
(3) Short Provision for Income Tax of Earlier Year		9.12	8.19
<b>TOTAL TAX EXPENSE</b>		<b>97.58</b>	<b>313.46</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>358.48</b>	<b>785.08</b>
<b>V OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to Profit or Loss	33	28.41	(11.35)
<b>VI TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (IV+V) (Comprising Profit/Loss and Other Comprehensive Income for the period)</b>		<b>386.89</b>	<b>773.73</b>
<b>Profit/ (loss) attributable to</b>			
- Owners of the Company		<b>328.79</b>	<b>588.14</b>
-Non-controlling interest		<b>58.10</b>	<b>30.96</b>
'- Pre Acquisition Profits		-	<b>154.62</b>
<b>VII EARNINGS PER EQUITY SHARE OF RS 10 EACH (BASIC AND DILUTED)</b>		<b>3.85</b>	<b>9.71</b>

Summary of significant accounting policies

1

The accompanying notes are integral part of these financial statements

In terms of our report attached

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

**For N B T & Co**

**Chartered Accountants**

-Sd-

**Arpit Tapadiya**

Partner

Membership No-182428

Place: Mumbai

Date : 30.05.2022

UDIN NO: 22182428AJXSQM4793

-Sd-

**Prem Aggarwal**

Managing Director

DIN: 02050297

-Sd-

**Aditya Aggarwal**

CFO

PAN: BQJPA0155L

Place: Tirupur

Date : 30.05.2022

-Sd-

**Shikha Aggarwal**

Director

DIN: 03373965

-Sd-

**K. Lakshmi Priya**

Company Secretary

PAN:BBRPP6162M

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

Amount in Lakhs

Particulars	Note No.	31.03.2022		31.03.2021	
<b>Cash flow from operating activities</b>					
<b>Net Profit before Tax</b>			456.06		1,098.54
Discontinued operations					-
<b>Profit before income tax including discontinued operations</b>			456.06		1,098.54
<b>Adjustments for</b>					
Depreciation and amortisation expense		96.42		70.36	
Provision for Gratuity		16.32		13.43	
Finance Cost		357.58	470.32	353.53	437.33
<b>Operating Profit before Working Capital Changes</b>			926.38		1,535.87
(Increase)/Decrease in trade receivables		111.86		(909.33)	
(Increase)/Decrease in inventories		(369.04)		642.56	
(Increase)/decrease in other current assets		(34.45)		43.09	
Increase/ (Decrease) in short Term borrowings		641.42		235.22	
Increase/ (Decrease) in trade payables		(137.05)		(918.89)	
Increase/(decrease) in provision		114.85		155.96	
Decrease/(Increase) in Current Advances		(194.52)		24.88	
Increase in other current liabilities		(3.20)		14.03	
<b>Cash generated from operations</b>			129.87		(712.48)
Income taxes paid			305.93		325.99
<b>Net cash inflow from operating activities</b>			750.33		497.39
<b>Cash flows from investing activities</b>					
(Increase)/Decrease in investments		(13.74)		(930.29)	
(Increase)/Decrease in Property, Plant & Equipment		(136.60)		(38.64)	
Deposit Given/(Released)		(25.14)		-	
Long Term Loans Recovered/(Given)		51.71		(14.27)	
<b>Net cash used in investing activities</b>			(123.76)		(983.20)
<b>Cash flow from financing activities</b>					
Issue of Warrants		-		757.88	
Proceeds From long Term Borrowing (Net)		(142.11)		139.58	
Interest paid		(357.58)		(353.53)	
<b>Net cash from financing activities</b>			(499.69)		543.93
<b>Net increase (decrease) in cash and cash equivalents</b>			126.87		58.12
<b>Cash and cash equivalents at the beginning of the year</b>			138.67		80.55
<b>Cash and cash equivalents at end of the year</b>			<b>265.55</b>		<b>138.67</b>

Note -

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition).
- During the Year 2020-21 Company has converted the Share Warrant of Rs 160,000,000 into shares at a price of Rs.40 each by allotting 40,00,000 shares

In terms of our report attached

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

**For N B T & Co**

**Chartered Accountants**

-Sd-  
**Arpit Tapadiya**  
Partner  
Membership No-182428  
UDIN NO: 22182428AJXSQM4793

-Sd-  
**Prem Aggarwal**  
Managing Director  
DIN: 02050297

-Sd-  
**Shikha Aggarwal**  
Director  
DIN: 03373965

-Sd-  
**Aditya Aggarwal**  
CFO  
PAN: BQJPA0155L  
Place: Tirupur  
Date : 30.05.2022

-Sd-  
**K. Lakshmi Priya**  
Company Secretary  
PAN:BBRPP6162M

Place: Mumbai  
Date : 30.05.2022

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)

Standalone Statement of Changes in Equity for the year ended 31st March 2022

(Amount in Lakhs unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>(A) Equity share capital</b>		
Balance at the beginning of the period	1,003.84	269.23
Changes in Equity Share capital during the period	-	734.61
<b>Balance at the end of the period</b>	<b>1,003.84</b>	<b>1,003.84</b>

**(B) Other equity**

Particulars	Equity Instruments through Other Comprehensive	Reserves and Surplus		
		Securities Premium Reserve	Retained Earnings	TOTAL
<b>Balance as at 31st March, 2020</b>	(10.01)	60.00	605.93	655.92
Profit for the year 2020-21			754.12	754.12
Less: Excess Amount Paid for Acquisition			(9.25)	(9.25)
- Pre Acquisition Profits			(154.62)	(154.62)
Add - Premium Received on Issue of Shares	-	1,200.00	-	1,200.00
Less: Bonus Issue		-	(334.61)	(334.61)
Other Comprehensive Income for the year 2020-21	(11.35)	-		(11.35)
<b>Balance as at 31st March, 2021</b>	<b>(21.37)</b>	<b>1,260.00</b>	<b>1,694.66</b>	<b>2,100.20</b>
Profit for the year 2021-22			<b>300.38</b>	300.38
Other Comprehensive Income for the year 2021-22			<b>28.41</b>	28.41
<b>Balance as at 31st March, 2022</b>	<b>(21.37)</b>	<b>1,260.00</b>	<b>2,023.45</b>	<b>2,428.99</b>

For N B T & Co  
Chartered Accountants  
FRN - 140489W

-Sd-  
Arpit Tapadiya  
Partner  
Membership No-182428

-Sd-  
Prem Aggarwal  
Managing Director  
DIN: 02050297

-Sd-  
Shikha Aggarwal  
Director  
DIN: 03373965

-Sd-  
Aditya Aggarwal  
CFO  
PAN: ARBPJ0742Q

Place: Mumbai  
Date : 30.05.2022

-Sd-  
K. Lakshmi Priya  
Company Secretary  
PAN:BBRPP6162M

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101T22011PLC017586)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

<b>Note 2</b>										
<b>Property, Plant and Equipment</b>										
Particulars	Buildings Owned	Furniture & fixtures Owned	Plant and Equipment Owned	Vehicles Owned	Computer Owned	Miscellaneous Assets Owned	Goodwill	Software Owned	Office Equipments Owned	Total
<b>At cost or fair value as at 31.03.2020</b>	<b>508.10</b>	<b>215.65</b>	<b>175.06</b>	<b>116.72</b>	<b>20.98</b>	<b>1.11</b>	-	<b>4.97</b>	<b>3.97</b>	<b>1,046.54</b>
Additions	2.30	18.45	4.22	5.55	6.33	-	78.25	0.76	1.03	<b>116.88</b>
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At cost or fair value as at 31.03.2021</b>	<b>510.40</b>	<b>234.10</b>	<b>179.28</b>	<b>122.27</b>	<b>27.31</b>	<b>1.11</b>	<b>78.25</b>	<b>5.73</b>	<b>5.00</b>	<b>1,163.42</b>
Additions	65.51	54.67	5.29	5.33	4.10	0.19	-	1.50	-	<b>136.60</b>
Disposals	-	-	-	(9.53)	-	-	-	-	-	<b>(9.53)</b>
<b>At cost or fair value as at 31.03.2022</b>	<b>575.91</b>	<b>288.77</b>	<b>184.57</b>	<b>118.07</b>	<b>31.41</b>	<b>1.29</b>	<b>78.25</b>	<b>7.23</b>	<b>5.00</b>	<b>1,290.49</b>
<b>Depreciation Block</b>										
<b>Accumulated depreciation as at 31.03.2020</b>	<b>179.18</b>	<b>86.62</b>	<b>107.32</b>	<b>57.36</b>	<b>13.23</b>	<b>0.90</b>	-	<b>0.13</b>	<b>0.27</b>	<b>445.01</b>
Depreciation for the year	20.06	22.96	9.66	14.13	2.11	-	-	0.95	0.49	<b>70.36</b>
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at the 31.03.2021</b>	199.24	109.58	116.98	71.49	15.34	0.90	-	1.09	0.76	<b>515.37</b>
Depreciation for the year	40.14	25.19	10.26	16.29	3.27	0.02	-	1.24	-	<b>96.42</b>
Disposals	-	-	-	(8.46)	-	-	-	-	-	<b>(8.46)</b>
<b>Accumulated depreciation as at the 31.03.2022</b>	239.39	134.77	127.24	79.32	18.61	0.92	-	2.33	0.76	<b>603.33</b>
<b>Net Block</b>										
As at 31.03.2021	311.16	124.52	62.30	50.78	11.97	0.21	78.25	4.64	4.24	<b>648.06</b>
As at 31.03.2022	336.53	154.00	57.33	38.75	12.80	0.38	78.25	4.91	4.24	<b>687.17</b>

Title Deeds of immovable Property not held in the Name of Company.

Particular	Description of Item of Property	Gross Carrying Value	Whether the title deed holder is a promoter, director or relative of promoter/directo r or employee of promoter/directo r	Property held since which date	Reason for not being held in the name of company
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There is no immovable property who's title deed are not held in the name of company

**Benami Property**

There is no Proceeding have been initiated or Pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988 (45 of 1988).

Note:-

a) In accordance with the Indian Accounting Standard (Ind AS 36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2022

b) The carrying value (Gross Block less accumulated depreciation and amortisation) as on 1st April, 2019 of the Property, plant and equipment is considered as a deemed cost on the date of transition.

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

**Note 3**

**Non Current Financial Assets - Investments**

Name of the Body Corporate	Subsidiaries / Associates / Joint Ventures / Structured Entities /	No. of Shares and Face Value of Shares		No. of Shares and Face Value of Shares		31.03.2022	31.03.2021
		31.03.2022		31.03.2021			
		Nos.	Face Value (Rs.)	Nos.	Face Value (Rs.)		
Investments measured at Amortised Cost				-	-		-
Investments Measured at Fair Value Through Profit and Loss (FVTPL)				-	-		-
Investments Measured at Fair Value Through OCI (FVTOCI)				-	-	13.74	-
Other Investments (Carried at cost) (i) Netaji Apparel Park	Others			3,550	10	52.85	52.85
Aggregate amount of unquoted investments						66.59	52.85
Aggregate amount of quoted investments						-	-
Aggregate market value amount of quoted investments						-	-
						<b>66.59</b>	<b>52.85</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

**Note 4**  
**Non Current Financial Assets - Loans & Advances**

PARTICULARS	31.03.2022	31.03.2021
Secured, considered good		
Unsecured, considered good	79.65	131.36
Loans receivables, which have significant increase in	-	-
Credit impaired	-	-
	<b>79.65</b>	<b>131.36</b>

**There is no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties during the year.**

**Note 5**  
**Non Current Financial Assets - Deposits**

Particulars		
	31.03.2022	31.03.2021
Deposits to related party - unsecured, considered good		-
Security Deposits	25.78	0.64
Unsecured, considered doubtful		-
Provision for doubtful deposits		-
<b>Total</b>	<b>25.78</b>	<b>0.64</b>



**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

**Note 6**  
**Inventories**

Particulars	31.03.2022		31.03.2021		Mode of Valuation
	Qty	Value	Qty	Value	
a. Raw Materials and components					Cost or NRV whichever is lower
	172,506	852.62	230,881	474.99	
	172,506	853	230,881	474.99	
b. Work-in-progress					
	36,117	400.57	201,066	462.06	
	36,117	401	201,066	462.06	
c. Finished goods					
	1,202,966	4,067.41	3,292,643	4,014.51	
	1,202,966.00	4,067.41	3,292,643.00	4,014.51	
<b>Total</b>		<b>5,320.60</b>		<b>4,951.56</b>	

**Notes:-**

1. Inventory valuation is impacted due to Covid downturn and resulted in aging of inventory and company revalue its stock to reflect lower of cost and net realizable value. Cost of mask stock has resulted in reduction in value by Rs 56,68,843 for total stock of 7,82,499 pieces. Mask consumption has rapidly reduced than expected.

2. Fabric stock reduction in value is 15% as Covid impact resulted in sudden unexpected downturn in the Market situation which resulted in slow and non moving stocks in the past one year. In addition, there is a substantial change in fabric preferences of the consumers. It resulted in the company to adjust to the market needs to sustain the business. All these Macro economic factors and changes in external environment, impacted fabric Inventory to an extent of 15% in reduction in value which is Rs 63,56,604.

3. Garments stock reduction in value is around 7% due to changes in consumers change in style, design and fashion. It changes quite frequently and rapidly and the company has to change its strategy to serve and address these markets. Reduction in stock value due to such changes is Rs 1,27,12,878 for the Year ending Mar 2022.

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

<b>Note 7</b>		
<b>Current Financial Assets - Trade Receivables</b>		
Particulars	As at 31.03.2022	As at
	Amount	31.03.2021
		Amount
- From Related Parties	0.12	-
- From Others	3,183.63	3,295.61
Total	3,183.75	3,295.61
<b>Break-up for security details:</b>		
Secured, considered good	-	-
Unsecured, considered good	3,183.75	3,295.61
Trade receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
<b>Impairment allowance</b>		
Credit Impaired	-	-
<b>Ageing</b>		
Not Exceeding Six Months	3,168	2,924.51
Exceeding Six Months	15.68	371.10
<b>Total</b>	<b>3,183.75</b>	<b>3,295.61</b>

Particulars/ Period	Less than 6 Month	6 Months to 1 year	1-2 Year	2-3 Year	3 year or more	Total
(i) Undisputed Trade Recievable - Considered Good	3,168.07	3.32	12.36	-	-	3,183.75
(ii) Undisputed Trade Recievable - Considered Doubtful						-
(iii) Disputed Trade Recievable - Considered Good						-
(iv) Disputed Trade Recievable - Considered Doubtful						-

<b>Note 8</b>		
<b>Current Financial Assets - Cash and Cash Equivalents</b>		
Particulars	As at 31.03.2022	As at
	Amount	31.03.2021
		Amount
Balances with Banks in current accounts (of the nature of cash and cash equivalents);	250.07	128.20
Cash on hand	15.46	10.47
<b>Total</b>	<b>265.54</b>	<b>138.67</b>

<b>Note 9</b>		
<b>Current Financial Assets - Advances</b>		
Particulars	As at 31.03.2022	As at
		31.03.2021
Loans and advances to employees		-
Secured, considered good		-
Unsecured, considered good	304.13	199.25
Loans receivables, which have significant increase in credit		-
Credit impaired		-
<b>Grand Total</b>	<b>304.13</b>	<b>199.25</b>

<b>Note 10</b>		
<b>Other Current Assets</b>		
Particulars	As at 31.03.2022	As at
		31.03.2021
Prepaid Expenses	-	32.13
Advance to Supplies	4.81	3.05
Deposits with Revenue Authorities	150.54	85.72
<b>Grand Total</b>	<b>155.35</b>	<b>120.90</b>

GARMENT MANTRA LIFESTYLE LIMITED (Formerly Known as Junction Fabrics and Apparels Limited) (CIN : L18101TZ2011PLC017586) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022					
<b>Note 11</b>					
<b>A. EQUITY SHARE CAPITAL</b>					
	31.03.2022		31.03.2021		
	No.	Amount	No.	Amount	
Authorised Share Capital	11,000,000	1,100.00	11,000,000	1,100.00	
Issued Subscribed and Paid-up Share Capital	10,038,405	1,003.84	10,038,405	1,003.84	
Subscribed Share Capital	10,038,405	1,003.84	10,038,405	1,003.84	
Fully Paid-up Share Capital	10,038,405	1,003.84	10,038,405	1,003.84	
Subscribed but not fully paid-up					
<b>a.) Reconciliation of Shares outstanding at the beginning and at the end of the year</b>					
Balance at the beginning of the year	10,038,405	1,003.84	2,692,270	269.23	
Issued during the year	-	-	7,346,135	734.61	
Balance at the end of the year	<u>10,038,405</u>	<u>1,003.84</u>	<u>10,038,405</u>	<u>1,003.84</u>	
<b>b.) Terms/Rights attached to equity shares</b>					
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per equity share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.					
<b>c.) Shares in the Company held by each shareholder holding more than five per cent shares</b>					
<b>Name of the Shareholder</b>	31.03.2022		31.03.2021		
	No.	% of Holding	No.	% of Holding	
Shri.Prem Dinanath Aggarwal	3,714,330	37.00%	3,714,330	37.00%	
Shikha Aggarwal Prem	1,218,000	12.13%	1,218,000	12.13%	
<b>Total</b>	<u>4,932,330</u>	<u>49.13%</u>	<u>4,932,330</u>	<u>49.13%</u>	
As per the Companies Act, 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders					
<b>d)</b> There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.					
<b>e)</b> There is no dividend paid or proposed during the year and during the previous year.					
<b>B. OTHER EQUITY</b>					
	Equity Instruments through Other Comprehensive Income	Changes in Own Credit Risk of Financial Liabilities measured at FVPL	Reserves and Surplus		
			Securities Premium Reserve	Retained Earnings	TOTAL
<b>Balance as at 31st March, 2020</b>	(10.01)	-	60.00	599.53	649.52
Profit for the year 2020-21	-	-	-	754.12	754.12
- Excess Amount Paid for Acquisition	-	-	-	(9.25)	(9.25)
- Pre Acquisition Profits	-	-	-	(154.62)	(154.62)
Premium Received on Issue of Shares	-	-	1,200.00	-	1,200.00
Bonus Issue	-	-	-	(334.61)	(334.61)
Other Comprehensive Income for the year 2020-21	(11.35)	-	-	-	(11.35)
Transferable Subsidiary Reserves to Non Controlling Interest	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<u>(21.37)</u>	<u>-</u>	<u>1,260.00</u>	<u>1,688.26</u>	<u>2,093.80</u>
Profit for the year 2020-21	-	-	-	300.38	300.38
- Excess Amount Paid for Acquisition	-	-	-	-	-
- Pre Acquisition Profits	-	-	-	-	-
Premium Received on Issue of Shares	-	-	-	-	-
Bonus Issue	-	-	-	-	-
Other Comprehensive Income for the year 2020-21	-	-	-	28.41	28.41
<b>Balance as at 31st March, 2022</b>	<u>(21.37)</u>	<u>-</u>	<u>1,260.00</u>	<u>2,017.06</u>	<u>2,422.60</u>
<b>Nature and Purpose of Reserve</b>					
<b>1. Securities Premium Reserve:</b>					
Securities Premium reserve is created on issue of equity share capital. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.					
In terms of our report attached					
<b>For N B T &amp; Co</b>		<b>For and on behalf of the Board of Directors</b>			
<b>Chartered Accountants</b>					
-Sd	-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
Arpit Tapadiya	Prem Aggarwal	Shikha Aggarwal	Aditya Aggarwal	K. Lakshmi Priya	
Partner	Managing Director	Director	CFO	Company Secretary	
Membership No-182428	DIN: 02050297	DIN: 03373965	PAN: BQJPA0155L	PAN:BBRPP6162M	
Firm Regd. No. 140489W					
Place: Mumbai	Place: Tirupur				
Date : 30.05.2022	Date : 30.05.2022				

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

<b>Note 12</b>			
<b>Non Controlling Interest</b>			
Particulars	Note No.	Current	
		31.03.2022	31.03.2021
Jannat Fabrics and Apparels Private Limited		100.99	70.99
Twenty Twenty Trading LLP		60.01	31.91
Less -			
Profit on Upstream Transaction		-	1.08
<b>Total</b>		<b>161.00</b>	<b>101.82</b>
<b>Note 13</b>			
<b>Non Current Financial Liabilities - Borrowings</b>			
Particulars		Current	
		31.03.2022	31.03.2021
<b>Secured</b>			
From Banks		816.50	139.37
From Others			-
Loans and advances from Directors			-
		816.50	139.37
<b>In case of continuing default as on the balance sheet date in repayment</b>			
1. Period of default			-
2. Amount			-
<b>Unsecured</b>			
From Banks			49.30
From Financial Institutions			103.74
From Directors		<b>2.00</b>	591.52
Terms of Repayment has not been entered into between the parties			-
From Other Related Parties			76.67
(None of the above, is guaranteed by Directors and / or others)			
Terms of Repayment has not been entered into between the parties			
		2.00	821.23
<b>In case of continuing default as on the balance sheet date in repayment</b>			
1. Period of default			-
2. Amount			-
<b>Total</b>		<b>818.50</b>	<b>960.60</b>

<b>Note 14</b>		
<b>Deferred Tax Assets (Net)</b>		
<b>The balance comprises temporary differences attributable to:</b>		
PARTICULARS	31 March 2022	31 March 2021
At the start of the year	20.05	14.99
Change/(Credit) to Statement of Profit and Loss	3.62	5.05
<b>Net deferred tax assets / liabilities</b>	<b>23.66</b>	<b>20.05</b>

<b>Note 15</b>		
<b>Other Non Current Liabilities</b>		
Particulars	Current	
	31.03.2022	31.03.2021
Gratuity Provision	38.84	42.60
<b>Total</b>	<b>38.84</b>	<b>42.60</b>

<b>Note 16</b>		
<b>Current Financial Liabilities - Borrowings</b>		
<b>Particulars</b>	<b>31.03.2022 Amount</b>	<b>31.03.2021 Amount</b>
<b>Secured</b>		
<b>From banks</b>		
<b>(a) Loans repayable on demand</b> (Secured by hypothecation of inventories, book debts and machineries) (of the above, entire amount is guaranteed by Directors and/or others)	<b>2,856.69</b>	2,384.39
<b>(b) Term Loans</b> Terms of Repayment: 33 months (of the above, entire amount is guaranteed by Directors and / or others)	<b>537.92</b>	205.87
<b>From other parties</b>		
<b>From Director/Related Parties</b>		
<b>Current Maturities of Long Term Debt</b>	<b>151.35</b>	314.28
	<b>3,545.96</b>	<b>2,904.54</b>
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above</b>		
1. Period of default		-
2. Amount		-
<b>Unsecured</b>		
From banks		-
From other parties		-
From Director/Related Parties		-
	-	-
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>		
1. Period of default		-
2. Amount		-
<b>Grand Total</b>	<b>3,545.96</b>	<b>2,904.54</b>

<b>Note 17</b>		
<b>Current Financial Liabilities - Trade Payables</b>		
<b>Particulars</b>	<b>31.03.2022 Amount</b>	<b>31.03.2021 Amount</b>
<b>(i) Total outstanding dues of micro enterprises and small enterprises -</b>		31.70
(ii) Creditors for Goods		
Payables within next 12 months	1,841.71	1,919.64
Payables after 12 months		
(iii) Creditors for Expenses		
Payables within next 12 months	50.17	76.97
Payables after 12 months		0.63
(iv) Creditors for others		
Payables within next 12 months		
Payables after 12 months		
<b>Grand Total</b>	<b>1,891.88</b>	<b>2,028.93</b>

**Ageing as on March 31, 2022**

<b>Particulars</b>	<b>Outstanding for Following periods from the due date of payment</b>					<b>Total</b>
	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>		
MSME	1,891.88	-	-	-	-	1,891.88
Other	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Note : (i) There is no Unbilled and not Due trade payables are outstanding at the period ended

(ii) No Amount due in respect of MSME in this FY year

<b>Note 18</b>		
<b>Other Current Liabilities</b>		
<b>Particulars</b>	<b>Current</b>	
	<b>31.03.2022</b>	<b>31.03.2021</b>
Advances from Contractors & Suppliers	48.48	42.69
Statutory Dues Payable	2.22	11.21
<b>Grand Total</b>	<b>50.70</b>	<b>53.90</b>

<b>Note 19</b>		
<b>Provisions- Current</b>		
<b>Particulars</b>	<b>Current</b>	
	<b>31.03.2022</b>	<b>31.03.2021</b>
(a) Provision for employee benefits	28.27	17.27
(b) Others (Specify nature)		
- Provision for Taxation	70.48	311.59
- Provision for Audit Fees	2.25	1.36
- Provision for Gratuity	71.51	32.31
<b>Grand Total</b>	<b>172.51</b>	<b>362.52</b>

<b>GARMENT MANTRA LIFESTYLE LIMITED</b> (Formerly Known as Junction Fabrics and Apparels Limited) (CIN : L18101TZ2011PLC017586) <b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022</b>		
<b>Note 20</b>		
<b>Revenue from Operations</b>		
Particulars	31/03/2022	31/03/2021
<b>Sales</b>		
Sales of Products		
-Domestic	20,390.06	16,771.15
-Export		-
Sales of Services		-
-Domestic	16.83	17.20
-Export		-
<b>Other Operating Revenue</b>	3.10	-
Less: Discount	20.11	18.21
<b>Total</b>	<b>20,389.88</b>	<b>16,770.14</b>
<b>Note 21</b>		
<b>Other Income</b>		
Particulars	31/03/2022	31/03/2021
Rental Income	14.40	16.80
Other Income	7.17	1.76
<b>Total</b>	<b>21.57</b>	<b>18.56</b>
<b>Note 22</b>		
<b>Cost of Material consumed</b>		
Particulars	31/03/2022	31/03/2021
<b>Cost of Material consumed</b>		
<b>Raw Materials and Stores</b>		
Opening Stock	474.99	1,200.28
Purchase	16,535.27	10,940.37
Less- Closing stock of materials meant for consumption	852.62	474.99
<b>Consumption of Material</b>	<b>16,157.63</b>	<b>11,665.66</b>
<b>Packing Materials and Accessories</b>		
Opening Stock	-	-
Purchases	43.15	49.51
Less: Closing stock	-	-
<b>Consumption of Packing Material</b>	<b>43.15</b>	<b>49.51</b>
<b>Total Consumption</b>	<b>16,200.78</b>	<b>11,715.17</b>
<b>Note 23</b>		
<b>Purchase of Stock In Trade</b>		
Particulars	31/03/2022	31/03/2021
Purchases	1,273.74	1,509.28
<b>Total</b>	<b>1,273.74</b>	<b>1,509.28</b>
<b>Note 24</b>		
<b>Changes in inventories of finished goods and stock-in-trade</b>		
Particulars	31/03/2022	31/03/2021
<b>Stock-in-Trade</b>		
Opening Stock of Work in Progress	462.06	906.11
Opening Stock of Finished Goods	4,014.51	3,487.74
Closing Stock of Work in progress	400.57	462.06
Closing Stock of Finished Goods	4,067.41	4,014.51
<b>Total</b>	<b>8.60</b>	<b>(82.73)</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
(Formerly Known as Junction Fabrics and Apparels Limited)  
(CIN : L18101TZ2011PLC017586)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

<b>Note 25</b>		
<b>Employee Benefits Expense</b>		
Particulars	31/03/2022	31/03/2021
(A) Salaries, Wages And Incentives Incl Bonus	231.84	205.28
(B) Contributions To -		-
(I) Provident Fund	1.77	1.70
(C) Gratuity Fund Contributions	16.32	13.43
(D) Social Security And Other Benefit Plans For Overseas Employees		-
(E) Expense On Employee Stock Option Scheme (Esop) And Employee Stock Purchase Plan (Espp),		-
(F) Staff Welfare Expenses	62.73	35.95
<b>Total</b>	<b>312.65</b>	<b>256.37</b>

<b>Note 26</b>		
<b>Finance Cost</b>		
Particulars	31/03/2022	31/03/2021
Interest Expense	324.44	347.01
Other Borrowing Costs	27.05	6.52
Interest on Lease Liabilities	6.09	
Chit Discounts		-
<b>Total</b>	<b>357.58</b>	<b>353.53</b>

<b>Note 27</b>		
<b>Rent Expense</b>		
Particulars	31/03/2022	31/03/2021
Rent	107.81	90.61
<b>Total</b>	<b>107.81</b>	<b>90.61</b>

<b>Note 28</b>		
<b>Manufacturing Expenses</b>		
Particulars	31/03/2022	31/03/2021
Manufacturing Expenses	815.33	1,032.65
<b>Total</b>	<b>815.33</b>	<b>1,032.65</b>

<b>Note 29</b>		
<b>Power &amp; Fuel</b>		
Particulars	31/03/2022	31/03/2021
Electricity	6.57	10.38
Fuel	34.15	12.78
<b>Total</b>	<b>40.72</b>	<b>23.16</b>

<b>Note 30</b>		
<b>Other Expenses</b>		
Particulars	31/03/2022	31/03/2021
<b>Administrative and General Expenses</b>		
Professional & Consultancy Fee	88.34	86.82
Insurance Expenses	8.81	9.46
Freight and forwarding Charges	49.92	80.54
Director's/Partner's Remuneration	82.43	198.00
Water Charges	3.75	3.72
Rates and Taxes	26.98	9.02
Printing and Stationery	-	1.72
Postage	0.21	7.25
Miscellaneous Expenses	-	32.18
Preliminary & Pre Operative Expenses written off	3.87	-
Advertisement and Sales promotion	6.49	94.84
Telephones & Mobile Charges	1.15	1.25
Office Expenses	26.78	23.55
Travelling and Conveyance	171.83	21.87
Labour	17.84	9.46
Jobwork Expenses	51.06	12.87
Packing Expense	4.44	26.54
Bank Charges	-	2.88
Commission & Discount	17.64	19.23
Other Administrative Charges	49.02	11.16
Repairs & Maintenance	129.02	67.03
<b>Auditor's Remuneration:</b>		
(i) For audit	1.50	1.61
(ii) For taxation matters	0.75	0.75
(iii) For Certification services		-
(vi) Company Law Matters & Others		-
<b>Total</b>	<b>741.83</b>	<b>721.77</b>

**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2022**

**Note 31**

**Exceptional Items**

Particulars	31/03/2022	31/03/2021
Profit on sale of Fixed Assets	0.07	-
<b>Total</b>	<b>0.07</b>	<b>-</b>

**Note 32**

**Tax Expense**

Particulars	31/03/2022	31/03/2021
Current tax expense	92.08	311
Deferred Tax	(3.62)	(5)
Adjustment in respect of Previous Year	9.12	8
<b>Total</b>	<b>97.58</b>	<b>313</b>
<b>Income tax expense attributable to:</b>		
Profit from Continuing Operations		785
Profit from Discontinuing Operations		-
<b>Total</b>		<b>785</b>
<b>Total current tax expense comprises of the following:</b>		
Current Tax relating to current reporting period		311
<b>Total Deferred Tax expense / (benefits) comprises of the following:</b>		
Amount of deferred tax expense (income) relating to origination and reversal of temporary differences		(5)

**Note 33**

**Other Comprehensive Income**

Particulars	31/03/2022	31/03/2021
a) Items that will not be reclassified to Profit or Loss		
i) Re-measurement gains/ (losses) on defined benefit	28.41	(11.35)
ii) Fair value gains/ (losses) on equity instruments		
<b>Total</b>	<b>28.41</b>	<b>(11.35)</b>



**GARMENT MANTRA LIFESTYLE LIMITED**  
**(Formerly Known as Junction Fabrics and Apparels Limited)**  
**(CIN : L18101TZ2011PLC017586)**  
**Notes to the Consolidated Financial Statements as at 31-03-2022**

(Amount in Lakhs, unless otherwise stated)

<b>34</b>	<b>Contingent Liabilities and Capital Commitment</b>
	(i) There is no contingent liabilities as at 31st March, 2022 and as at 31st March, 2021.
	(ii) <b>Capital Commitments</b> There is no capital commitments as at 31st March, 2022 and as at 31st March, 2021.

<b>35</b>	<b>Earnings Per Share:</b>	<b>(Rupees in Lakhs)</b>	
	<b>Particulars</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
	Net Profit after tax attributable to Equity Shareholders for Basic EPS and Diluted EPS (Rs. In Lakhs)	358.48	785.08
		<b>358.48</b>	<b>785.08</b>
	Weighted Average Number of Equity Shares (Face Value Rs. 10/-)	100.38	80.88
	Earning Per Share in Rupees - Basic and diluted	3.57	9.71
	Face Value of per Equity Share (in Rs.)	10.00	10.00

<b>36</b>	<b>Employee Benefit Expenses:</b>		
	<b>Particulars</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
	(A) Salaries, Wages And Incentives Incl Bonus	231.84	205.28
	(B) Contributions To -		
	(I) Provident Fund (II) Superannuation Scheme	1.77	1.70
	(C) Gratuity Fund Contributions	16.32	13.43
	(D) Social Security And Other Benefit Plans For Overseas Employees	-	-
	(E) Expense On Employee Stock Option Scheme (Esop) And Employee Stock Purchase Plan (Esp),	-	-
	(F) Staff Welfare Expenses	62.73	35.95
	<b>Total</b>	<b>312.65</b>	<b>256.37</b>

<b>37</b>	<b>Segment Information:</b> No separate disclosure for Segment Reporting to be made in the financial statements of the Company.
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<b>38</b>	<b>Provisions:</b>		
	<b>Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Movement in Provisions:</b>		
	<b>Nature of Provision</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	Provision during the year		
	Income Tax Provision:	70.48	311.59
	Provision for employee benefits	28.27	17.27
	Provision for Audit Fees	2.25	1.36
	Provision for Gratuity	71.51	32.31
	<b>Total</b>	<b>172.51</b>	<b>362.52</b>

39	<b>Related Party Disclosure:</b>			
	Parties which significantly influence / are influenced by the company (either individually or with others) -			
	(i)	<b>Key Management Personnel</b>		<b>Designation</b>
		a	Miss. K. Lakshmi Priya	Company Secretary
		b	Mr. Aditya Aggarwal	CFO
		c	Mr. Prem Dinanath Aggarwal	Managing Director
		d	Miss Shikha Aggarwal	Director
		e	Ms. Ashmita Aggarwal	Director
		f	Mr. Anil Kumar Goyal	Independent Director
		g	Mr. Subramanian Thirumurugan	Independent Director
	h	Mr. Ramasubramaniam Senthilrajagopal	Independent Director	
(ii)	Companies/Entities under the Control of Key Management Personnel			
	a	Beatle Apparels		
	Note:- Related party transaction with related parties during the year ended on 31.03.2022			
(iii)	<b>Transactions</b>		<b>31.03.2022</b>	<b>31.03.2021</b>
			<b>Rs.</b>	<b>Rs.</b>
	1	<b>Loan Taken</b>	309.94	95.34
			-	-
	2	<b>Loans Repaid</b>	684.75	89.29
			-	-
	3	<b>Remuneration</b>	154.33	145.70
			-	-
	4	<b>Rent</b>	10.50	12.00
			-	-
	5	<b>Purchases</b>	896.72	393.07
			-	-
	6	<b>Interest</b>	28.04	12.19
			-	-
	7	<b>Salary</b>	22.80	-
			-	-
	Outstanding Balances		-	-
		Unsecured Loans	2.00	621.52
		Expenses Payable	-	30.00
		Trade Payable	(50.04)	177.00
* Negative Balance Exhibits Debit Balance Outstanding				
(iii)	<b>Details of Transactions</b>		<b>31.03.2022</b>	<b>31.03.2021</b>
			<b>Rs.</b>	<b>Rs.</b>
	1	<b>Loan Taken</b>		
		Mr. Prem Aggarwal	123.77	52.21
		Mrs. Shikha Aggarwal	77.48	0.00
		Mr. Aditya Aggarwal	66.34	0.63
		Ms. Ashmita Aggarwal	42.35	42.50
			-	-
	2	<b>Loans Repaid</b>		
		Mr. Prem Aggarwal	310.35	13.21
		Mrs. Shikha Aggarwal	120.50	-
		Mr. Aditya Aggarwal	179.72	0.63
		Ms. Ashmita Aggarwal	74.18	75.45
			-	-
	3	<b>Remuneration</b>		
		Mr. Prem Aggarwal	16.88	45.00
		Mrs. Shikha Aggarwal	16.88	37.50
		Mr. Aditya Aggarwal	10.25	26.00
		Miss. K. Lakshmi Priya	5.40	2.70
		Ms. Ashmita Aggarwal	10.12	22.50
		Ms. Tanvi Aggarwal	9.00	12.00
			-	-
	4	<b>Rent</b>		
		Mr. Prem Aggarwal	7.00	6.00
		Mr. Aditya Aggarwal	3.50	3.00
		Mrs Shikha Aggarwal	-	3.00
			-	-
	5	<b>Purchases</b>		
		Beatle Apparels	223.27	393.07
			-	-
	6	<b>Interest paid</b>		
		Mr. Prem Aggarwal	7.54	1.43
		Mr Aditya Aggarwal	11.13	9.47
		Mrs. Shikha Aggarwal	4.04	1.29
		Mr. Ashmita Aggarwal	5.33	-

40	<b>Operating Leases :</b> The Company has taken certain premises under cancellable lease which are upto one year . The rental expense under such operating leases during the year Rs. 107.81 Lakhs- (Previous Year 90.61 lakhs/-).
41	In accordance with the India Accounting Standards (AS-2) "Valuation of Inventories", in relation to Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value.

Notes:-

1. Inventory valuation is impacted due to Covid downturn and resulted in aging of inventory and company revalue its stock to reflect lower of cost and net realizable value. Cost of mask stock has resulted in reduction in value by Rs 56,68,843 for total stock of 7,82,499 pieces. Mask consumption has rapidly reduced than expected.

2. Fabric stock reduction in value is 15% as Covid impact resulted in sudden unexpected downturn in the Market situation which resulted in slow and non moving stocks in the past one year. In addition, there is a substantial change in fabric preferences of the consumers. It resulted in the company to adjust to the market needs to sustain the business. All these Macro economic factors and changes in external environment, impacted fabric inventory to an extent of 15% in reduction in value which is Rs 63,56,604.

3. Garments stock reduction in value is around 7% due to changes in consumers change in style, design and fashion. It changes quite frequently and rapidly and the company has to change its strategy to serve and address these markets. Reduction in stock value due to such changes is Rs 1,27,12,878 for the Year ending Mar 2022.

#### 42 A. Financial risk management

The Company's activities are exposed to a variety of market risk (including foreign currency risk and interest risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

##### i. Market Risk

Market rate is the risk that arises from changes in market prices, such as commodity prices, foreign exchange rates, interest rates etc. and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising returns.

##### a. 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. Currently company not take any loan facility and use own fund for its business so interest risk is very low.

##### b. Foreign Currency Exchange Rate Risk

Company not do any transaction in foreign currency so company has no risk.

##### ii. Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Company performs on-going credit evaluation of its counterparties' financial conditions. The Company's major classes of financial assets are cash and bank balances, trade receivables, Security deposits, Advances to Suppliers and Employees, Unbilled Revenues and prepayments.

As at the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

As at the reporting date, substantially all the cash and bank balances as detailed in Note 8 to the financial information are held in major Banks which are regulated and located in the India, which management believes are of high credit quality.

Summary of the company's exposure to credit risk by age of the outstanding from various customers is as follows:

<u>Trade Receivable</u>	<u>As at</u>	
<u>Particulars</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Unsecured		
-Considered good	3,187.62	3,295.61
Less: Loss Allowance	3.87	-
Net Trade Receivables	<u>3,183.75</u>	<u>3,295.61</u>

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

##### ij) Loans and financial assets measured at amortized cost

Only inter loans and advances given hence the risk of default of these loan and advances are remote. The Company monitors each loans and advances given and makes any specific provision wherever required.

##### iii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of INR 265.54 Lakhs at March 31, 2022 (March 31, 2021: INR 138.67 Lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

##### iv. Others

Apart from trade receivables, loans and cash and bank balances, the company has no other financial assets which carry any significant credit risk.

##### (B) Liquidity risk

Liquidity risk arises from the company's management of working capital. It is the risk that company will encounter difficulty in meeting its financial obligations as they fall due.

The Company has obtained fund based and non- fund based working capital credit facility from various banks. Company policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. the principal liabilities of the company arise in respect of the trade and other payables. Trade and other payables with in 12 months.

The company manage liquidity risk by maintaining adequate surplus, banking, facility and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The company has a system of regularly forecasting cash inflows and outflows and all liquidity requirements are planned.

Forecast for trade and other payables is regularly monitored to ensure timely funding. All Payments are made within due dates.

The board receives cash flow projections on regular basis as well as information on cash balances.

**(B) Price Risk**

The Company's exposure to Silver Articles is exposed to price risk and classified in the balance sheet at fair value through OCI. 100 bps increase in price of silver would increase profit before tax by approximately INR 13,744 31 March 2022 (31 March 2021: NIL). A similar percentage decrease would have resulted equivalent opposite impact.

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**Capital Risk Management**

The Company manages its capital to ensure that the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Currently, Company have no debt in company and use own capital and reserve and surplus. The Company's adjusted net debt to equity ratio is as follows -

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Borrowings</b>		
Long term and Short term borrowings	4,364.46	3,865.15
Less: cash and cash equivalents	265.54	138.67
<b>Adjusted net debt</b>	<b>4,098.92</b>	<b>3,726.47</b>
Total Equity	3,587.44	3,199.46
<b>Adjusted net debt to adjusted equity ratio</b>	1.14	1.16

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**Financial Instruments measurements and disclosures**

Financial Instruments by Category	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial Assets:</b>				
<b>Measured at Fair Value</b>				
<b>Investments</b>				
Unquoted Equity Share	-	-	-	-
Other Unquoted Investments	-	13.74	-	13.74
<b>Not Measured at Fair Value</b>				
Unquoted Equity Share	-	-	52.85	52.85
Long Term Advances	-	-	79.65	79.65
Trade Receivables	-	-	3,183.75	3,183.75
Cash and cash equivalents	-	-	265.54	265.54
Deposits	-	-	25.78	25.78
Short Term Advances	-	-	304.13	304.13
<b>Total</b>	-	13.74	3,911.69	3,911.69
<b>Financial liabilities:</b>				
<b>Not measured at fair value</b>				
Long Term Borrowings	-	-	818.50	818.50
Short Term Borrowings	-	-	3,545.96	3,545.96
Trade Payable	-	-	1,891.88	1,891.88
Other Current Liabilities	-	-	50.70	50.70
<b>Total</b>	-	-	6,307.04	6,307.04

Financial Instruments by	FVTPL	FVOCI	Amortised cost	Total carrying value
<b>Financial Assets:</b>				
<b>Measured at Fair Value</b>				
<b>Investments</b>				
Unquoted Equity Share	-	-	-	-
<b>Not Measured at Fair Value</b>				
Unquoted Equity Share	-	-	52.85	52.85
Long Term Advances	-	-	131.36	131.36
Trade Receivables	-	-	3,295.60	3,295.60
Cash and cash equivalents	-	-	138.67	138.67
Deposits	-	-	0.64	0.64
Short Term Advances	-	-	199.25	199.25
<b>Total</b>	-	-	3,818.37	3,818.37
<b>Financial liabilities:</b>				
<b>Not measured at fair value</b>				
Long Term Borrowings	-	-	960.60	960.60
Short Term Borrowings	-	-	2,904.54	2,904.54
Trade Payable	-	-	2,028.93	2,028.93
Other Current Liabilities	-	-	314.28	314.28
<b>Total</b>	-	-	6,208.35	6,208.35

**b) Fair value hierarchy**

The following table

As on March 31, 2022	Level 1	Level 2	Level 3	Total
	Rs. In Lakhs			
<b>Financial Assets:</b>				
<b>Measured at Fair Value</b>				
<b>Investments</b>				
Equity Share	-	-	-	-
Other Unquoted	13.74	-	-	13.74
<b>Not Measured at Fair Value</b>				
Unquoted Equity Share	-	-	52.85	52.85
Long Term Advances	-	-	79.65	79.65
Trade Receivables	-	-	3,183.75	3,183.75
Cash and cash equivalents	-	-	265.54	265.54
Deposits	-	-	25.78	25.78
Short Term Advances	-	-	304.13	304.13
<b>Total</b>	13.74	-	3,911.69	3,925.43
<b>Financial liabilities:</b>				
<b>Not measured at fair value</b>				
Long Term Borrowings	-	-	960.60	960.60
Short Term Borrowings	-	-	2,904.54	2,904.54
Trade Payable	-	-	2,028.93	2,028.93
Other Current Liabilities	-	-	314.28	314.28
<b>Not Measured at Fair Value (Refer Footnotes)</b>				
<b>Total</b>	-	-	6,208.35	6,208.35

As on March 31, 2021	Level 1	Level 2	Level 3	Total
	Rs. In Lakhs			
<b>Financial Assets:</b>				
<b>Measured at Fair Value</b>				
<b>Investments</b>				
Equity Share	-	-	-	-
Other Unquoted	-	-	-	-
<b>Not Measured at Fair Value</b>				
Unquoted Equity Share	-	-	52.85	52.85
Long Term Advances	-	-	131.36	131.36
Trade Receivables	-	-	3,295.60	3,295.60
Cash and cash equivalents	-	-	138.67	138.67
Deposits	-	-	0.64	0.64
Short Term Advances	-	-	199.25	199.25
<b>Total</b>	-	-	3,818.37	3,818.37
<b>Financial liabilities:</b>				
<b>Not measured at fair value</b>				
Long Term Borrowings	-	-	960.60	960.60
Short Term Borrowings	-	-	2,904.54	2,904.54
Trade Payable	-	-	2,028.93	2,028.93
Other Current Liabilities	-	-	314.28	314.28
<b>Not Measured at Fair Value (Refer Footnotes)</b>				
<b>Total</b>	-	-	6,208.35	6,208.35

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**Gratuity And Other Post-Employment Benefit Plans**

The Company operates gratuity plan in a way wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. Company only provides from provision and when a sum is payable is paid immediately. No such fund has been created for the purpose of Gratuity Payment.

The Company provides for provision based on the actuarial valuation report.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and Balance Sheet :

Net benefit expense recognised through the Statement of Profit and Loss

		<b>31.03.2022</b>	<b>31.03.2021</b>
Current Services Cost		11.63	13.32
Interest Cost		4.69	1.32
Actuarial Losses/(Gains)		<u>(28.41)</u>	<u>13.43</u>
	Total	(12.09)	28.07
	Expense Recognized in Profit & Loss	16.32	14.64
	Expense Recognized Through OCI	(28.41)	13.43

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	<b>31.03.2022</b>	<b>31.03.2021</b>
Opening defined benefit obligation	36.74	29.87
Interest Cost	4.69	1.32
Current Service Cost	11.63	13.32
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	-	(20.27)
Changes in financial assumptions	(1.07)	1.45
Experience adjustments	(27.34)	11.06
Present Value of Benefit Obligation at the End of the Period	24.65	36.74

**Balance Sheet Reconciliation**

Opening Net Liability	83.60	49.12
Expense Recognized in Statement of Profit or Loss	16.32	20.01
Expense Recognized in Other Comprehensive Income	(28.41)	14.47
Benefit Paid	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	71.51	83.60

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**Event after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements.

**Note 47 Other Disclosures**

- (i) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority
- (ii) **No relationship with the Struck off Companies**  
The Company has attempted to discover whether there has been any transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 but it has not found any of its vendor/client whose name has been struck off by MCA.
- (iii) **Compliance with number of layers of companies:** The company has complied with the number of layers prescribed under the companies Act,2013
- (v) **Utilisation of Borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (i) 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
- (ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:-
- (iv) **Statement of unhedged foreign currency exposure:**  
The Company's has no foreign currency exposure.
- (v) **Regrouping and Classification:**  
Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

**Key management personnel compensation:**

Particulars	For the Year	For the Year
	ended	ended
	31 March 2022	31 March 2021
KMP Remuneration:		
Salaries and Allowances	154.33	145.70

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the Company as a whole and hence excluded.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(xii) Following Ratios to be disclosed:-			Ratio for the			Ratio for the Year	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
	Numerator	Denominator	Year ended 31 March 2022	Numerator	Denominator	ended 31 March 2021		
Current Ratio= Current assets/ Current liabilities	9229.37	5661.06	1.63	8706.00	5,349.89	1.63	0.18%	NA
Debt-Equity Ratio=Total Borrowings/ Shareholder's equity	4364.46	3587.44	1.22	3865.15	3,205.86	1.21	0.91%	NA
Debt Service Coverage Ratio = Earnings available for debt service/ Debt service	909.9918	357.5847	2.54	1522.43	353.53	4.31	-40.91%	Huge Reduction in Profit resulted in drastic change in the ratio
Return on Equity Ratio = Net Profits after taxes/ Average shareholder's equity	358.48	3396.65	0.11	785.081	2,866.21	0.27	-61.47%	Huge Reduction in Profit resulted in drastic change in the ratio
Inventory turnover ratio = Revenue from operations/ Average inventory	20389.88	3239.68	6.29	16770.14	2,840.94	5.90	6.62%	NA
Trade Receivables turnover ratio = Net credit revenue from operations/ Average trade receivables	20389.88	2401.55	8.49	16770.14	2,116.91	7.92	7.17%	NA
Trade payables turnover ratio = Net credit purchases/ Average trade payables	1273.74	1960.41	0.65	1509.28	996.85	1.51	-57.09%	
Net capital turnover ratio = Revenue from operations/ Working capital	20389.88	3568.31	5.71	16770.14	3356.11	5.00	14.35%	NA
Net profit ratio = Net profit/ Revenue from operations	358.482	20389.88	0.02	785.08	16,770.14	0.05	-62.44%	Huge Reduction in Profit resulted in drastic change in the ratio
Return on Capital employed = EBIT/Capital employed (Average Total Equity + Debts)	813.647	4405.937	0.18	1,452.07	4,160.07	0.35	-47.09%	Huge Reduction in Profit resulted in drastic change in the ratio
Note: The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.								

## Notes to Consolidated Financial Statements

### Company Background

Garment Mantra Lifestyle Limited formerly known as Junction Fabrics and Apparels Limited (the 'Company') is a listed public limited Company incorporated under the Indian Companies Act 1956. The Company is engaged in the business of manufacturing, selling and distribution of fabrics, hosiery garments and providing of related services.

The registered office of the Company is located at No.15, Murthy's Plaza Kariagounder Street, Khaderpet Tirupur Erode, Tamilnadu – 641601, India.

The Consolidated financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 30<sup>th</sup> May, 2022.

### Significant Accounting Policies

#### 1. Basis of preparation of Consolidated financial statements

##### (a) Basis of Accounting:

The Consolidated financial statements have been prepared and presented under the historical cost convention except for following assets and liabilities which have been measured at fair value;

1. Certain Financial Assets and Liabilities (including derivative instruments),
2. Defined Benefit Plans

The Consolidated Financial Statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

The Company's Consolidated Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest rupee except when otherwise indicated.

The Company has adopted for the first time for their annual reporting through their Consolidated financial statements.

##### (b) Use of Estimates:

In the application of accounting policy, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The few critical estimations and judgments made in applying accounting policies are:



i. Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Specified in Schedule II to the Companies Act, 2013.

ii. Income Taxes:

Significant judgment is required in determining the amount for income tax expenses. There are many transactions and positions for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amount that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iii. Inventories:

Inventory Obsolescence is based on assessment of the future uses. In all cases, inventory is carried at the lower of cost and net realizable value.

iv. Impairment of Non-financial Assets:

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

v. Impairment of Financial assets

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

**(c) Current/Non-Current Classification:**

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

A. An assets treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after a reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after a reporting period.

All other assets are classified as non-current.

B. Liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

## 2. Property, Plant and Equipment

The Company has elected to continue with the carrying value of property, Plant and Equipment ('PPE') recognized as of 1st April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost include purchase price after deducting trade discount / rebate, import duty, non-refundable taxes, cost of replacing the component parts, borrowing cost and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

An item of PPE is derecognized on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is de-recognized.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognized till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognized.

Depreciation is charged so as to allocate the cost of assets less their residual values, if any, over their estimated useful lives, using the written down value method except intangible assets. Depreciation on intangible assets is provided on straight line basis. The following useful lives are considered for the depreciation of property, plant and equipment:

Description of the Asset	Estimated Useful Life
Furniture & fixtures	10 Years
Buildings	60 Years
Office Equipment	5 Years
Air Conditioner	10 Years

Electricity Fittings                      10 Years

If there is an indication that there has been a significant change in useful life or residual value of an asset, the depreciation of that asset is revised accordingly to reflect the new expectations.

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

**Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**Intangible assets under development:**

The amount disclosed as 'Intangible asset under development' represents assets purchased/acquired and not available for use, as at the date of Statement of Financial Position.

An item of Intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from de-recognition of an intangible asset measured as the difference between the net disposals proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

**Impairment of Tangible (PPE) and Intangible Assets:**

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets where it is not possible to estimate the recoverable amount of an individual asset), is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in Statement of Profit and Loss.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss

is recognized immediately in Statement of Profit and Loss.

### 3. Revenue Recognition

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

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

#### Sale of Goods:

Revenue from the sale of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Sale is recognized when no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### Dividend Income:

Dividend is recognized when right to receive is established, which is generally when shareholders approve the dividend.

#### Interest Income:

Interest income on financial assets measured at amortized cost is recognized on time proportion basis, using effective interest method.

### 4. Lease Accounting

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

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased items (i.e. PPE), are generally capitalized at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between finance charges and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the Statement of Profit and Loss.

Lease in which significant portion of the risks and rewards of ownership are not transferred to the Company as lessee is classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss over the period of lease on straight line basis other than those cases where the escalation are linked to expected general inflation in which case they are charged on contractual terms.

### 5. Inventory

(a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and

net realizable value is made on an item-by item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.

(b). In determining cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost methods used. Cost of inventory comprises 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.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, inappropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## **6. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### **Financial assets:**

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise trade receivables. Cash and cash equivalents, bank balances, investment in equity shares of Companies, investment other than in equity shares, loans / advances to employees / related parties / others, security deposit, claims recoverable etc.

### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. When transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

### **Subsequent measurement**

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

- Financial asset measured at amortized cost
- Financial asset at fair value through OCI
- Financial assets at fair value through profit or loss

### **Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order 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. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss in finance costs.

#### **Financial assets at fair value through OCI (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if the financial 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. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). On Derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognized in OCI is reclassified to income statements.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of profit and loss.

#### **De-recognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds receivables.

#### **Impairment of financial assets**

The Company assesses impairment based on expected credit loss (ECL) model on the following:  
Financial assets that are measured at amortized cost.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

ECL is measured through a loss allowance on a following basis:-

The 12 month expected credit losses (expected credit losses that result from all possible default events on the financial instruments that are possible within 12 months after the reporting date)

Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

#### **Financial liabilities and equity instruments:**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### **Financial liabilities**

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

##### **Initial Recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognized in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

##### **Subsequent measurement**



Subsequent measurement of financial liabilities depends upon the classification as described below:-

**Financial Liabilities classified at Amortized Cost:**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the Effective Interest Rate. Interest expense that is not capitalized as part of cost of assets is included as Finance costs in the Statement of Profit and Loss.

**Financial Liabilities at Fair value through profit and loss (FVTPL)**

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged/cancelled/expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and liabilities are offset and net amount is reported if there is currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, to realize assets and settle the liabilities simultaneously.

**7. Transactions in Foreign Currency**

**(a) Initial recognition:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**(b).Measurement of foreign currency items at the Balance Sheet date:**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

**(c).Forward exchange contracts:**

The Company had not entered into any forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company had not entered into any derivative instruments for trading or speculative purposes.



## 8. Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value (at carrying value) and subsequently measured at amortised cost using the effective interest method, less provision for impairment if require.

## 9. Employee Benefits

### A. Short Term Employee Benefits:

All employee benefits payable wholly within twelvemonths of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### B. Post-employment benefits:

#### (a) Defined contribution plans :

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

#### (b) Defined benefit plans

#### Provident fund scheme

The Company makes specified monthly contributions towards Employee Provident Fund scheme, for the eligible employees.

#### '(c) Gratuity scheme

The Company has created provision for gratuity based on the report issued by Actuaries.

## 10. Research and Development

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

## 11. Provision for Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date

to reassess realization.

## **12. Provisions and Contingencies**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## **13. Earnings per Share**

The Basic and Diluted Earnings per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.

## **14. Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

## **15. Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

## **16. Government Grants and Subsidies**

The Company is not entitled to any subsidy from government authorities in respect of manufacturing units located in specified regions: Grants in the nature of subsidy which are nonrefundable are credited to the Statement of Profit and Loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

## **17. Measurement of EBITDA**

The Company has opted to present earnings before interest(finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations.

## **18. Segment Reporting**

### **i) Business Segment**

- a. The business segment has been considered as the primary segment.

- b. The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- c. The Company's primary business comprises of manufacturing of knitted garments and trading of fabrics and since it is the only reportable segment as envisaged in Accounting Standard 17. 'Segment Reporting'. Accordingly, no separate disclosure for Segment Reporting to be made in the Consolidated financial statements of the Company.

## ii) Geographical Segment

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. The company provides products or services only through single establishment. Accordingly, no separate disclosure for Segment Reporting to be made in the Consolidated financial statements of the Company.

## 19. Details of Shareholders holding more than 5% equity shares in the Company

Name of the share holders	As on 31.03.2022		As on 31.03.2021	
	Number of Equity Shares	Percentage of holding	Number of Equity Shares	Percentage of holding
Prem Dinanath Aggarwal	37,14,330	37.00	37,14,330	37.00
Shikha Aggarwal	12,18,000	12.13	12,18,000	12.13
<b>Total</b>	<b>49,32,330</b>		<b>49,32,330</b>	

**21 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Rs. Nil (PY Rs. 31,69,725)/- and Interest due on above- Nil (During 2020-21 Nil)

(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period Nil (During 2020-21 Nil)

(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 Nil (During 2021-22 Nil)

(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year Nil (During 2021-22 Nil)

(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises Nil (During 2020-21 Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on



the basis of information collected by the Management. This has been relied upon by the auditors.

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

**Form No. MGT 11 PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Garment Mantra Lifestyle Limited

CIN: L18101TZ2011PLC017586

Registered Office: No.15, Murthy's Plaza, Karia Gounder Street, Khaderpet, Tirupur – 641 601.

●E-mail: [companysecretary@junctionfabrics.in](mailto:companysecretary@junctionfabrics.in)

●Website: [www.garmentmantra.com](http://www.garmentmantra.com)

Name of the member (s): .....

Registered address: .....

E-mail Id: .....

Folio No/ Client Id: .....

DP ID: .....

I/We, being the member (s) of..... shares of the above-named company, hereby appoint.

1. Name: .....E-mail Id: .....

Address: .....

Signature ..... or failing him

2. Name: .....E-mail Id:.....

Address: .....

Signature .....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11<sup>th</sup> Annual General Meeting (AGM) of the Company, to be held on Monday, the 26<sup>th</sup> of September, 2022 at 11:30 a.m. at Swaad Mantra Hotels and Restaurants, No.8, College Road, Tirupur – 641 602 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No	Resolution Item
1	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) as at 31 <sup>st</sup> March 2022 together with the Directors' Report and Auditors' Report thereon.
2	To appoint a Director in the place of Mrs. Ashmita Aggarwal, (DIN: 07332067), who retires by rotation and, being eligible offers herself for reappointment.
3	To appoint cost auditor of the company for the year 2022-23 and to fix their remuneration

4	To revise the remuneration payable to Mr. Prem Aggarwal (DIN No: 02050297), Managing Director of the company
5	To revise the remuneration payable to Mrs. Shikha Aggarwal (DIN No: 03373965), Whole time Director of the company
6	To revise the remuneration payable to Mrs. Ashmita Aggarwal (DIN No: 07332067), Director of the company
7	To provide authorization under Section 186 of Companies Act, 2013

<b>Affix Revenue Stamp</b>
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Signed this ..... day of 2022

Signature of member ..... Signature of Proxy holder(s) .....

**Note:** *This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

**Garment Mantra Lifestyle Limited**

CIN: L18101TZ2011PLC017586

Registered Office: No.15, Murthy's Plaza, Karia Gounder Street, Khaderpet, Tirupur –  
641 601●E-mail: [companysecretary@junctionfabrics.in](mailto:companysecretary@junctionfabrics.in) ●Website: [www.garmentmantra.com](http://www.garmentmantra.com)**ADMISSION SLIP**

Serial No.	
Folio No./Client ID/ DP Id	
Name of the sole/ first member(s)	
Registered Address	
Name(s) of joint member(s), if any	
No. of shares held	

I certify that I am/ we am/ are Member(s) / Proxy for the Member(s) of the company. Please (√) in the box

Member  Proxy

I/ We hereby record my/ our presence at the 11<sup>th</sup> Annual General Meeting (AGM) of the Company, to be held on Monday, the 26<sup>th</sup> of September, 2022 at 11:30 a.m at Swaad Mantra Hotels and Restaurants, No.8, College Road, Tirupur – 641 602.

**Name of the Proxy in Block Letters****Signature of Member / Proxy attending****NOTES:**

i) Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Admission Slip which should be signed and deposited before entry into the venue.

ii) Duplicate Admission Slip will not be issued at the venue.

**ELECTRONIC VOTING**

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Notes in the Notice convening the AGM for the procedure with respect to e-voting.

<b>EVSNO: 220901098</b>
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**FORM NO: 12 POLLING PAPER**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration Rules, 2014)

CIN	<b>L18101TZ2011PLC017586</b>		
Name of the Company	Garment Mantra Lifestyle Limited		
Registered Office	No.15, Murthy's Plaza, Karia Gounder Street, Khaderpet, Tirupur – 641 601		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID	DP ID		
Number of Equity shares held			

I hereby exercise my vote in respect of Ordinary / Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Resolution Number	Description	Optional ( v )	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) as at 31 <sup>st</sup> March 2022 together with the Directors' Report and Auditors' Report thereon.		
2	To appoint a Director in the place of Mrs. Ashmita Aggarwal, (DIN: 07332067), who retires by rotation and, being eligible offers herself for reappointment.		
<b>Special Business</b>			
3	To appoint cost auditor of the company for the year 2022-23 and to fix their remuneration		
4	To revise the remuneration payable to Mr. Prem Aggarwal (DIN No: 02050297), Managing Director of the company		
5	To revise the remuneration payable to Mrs. Shikha Aggarwal (DIN No: 03373965), Whole time Director of the		
6	To revise the remuneration payable to Mrs. Ashmita Aggarwal (DIN No: 07332067), Director of the company		
7	To provide authorization under Section 186 of Companies Act, 2013		

Place:

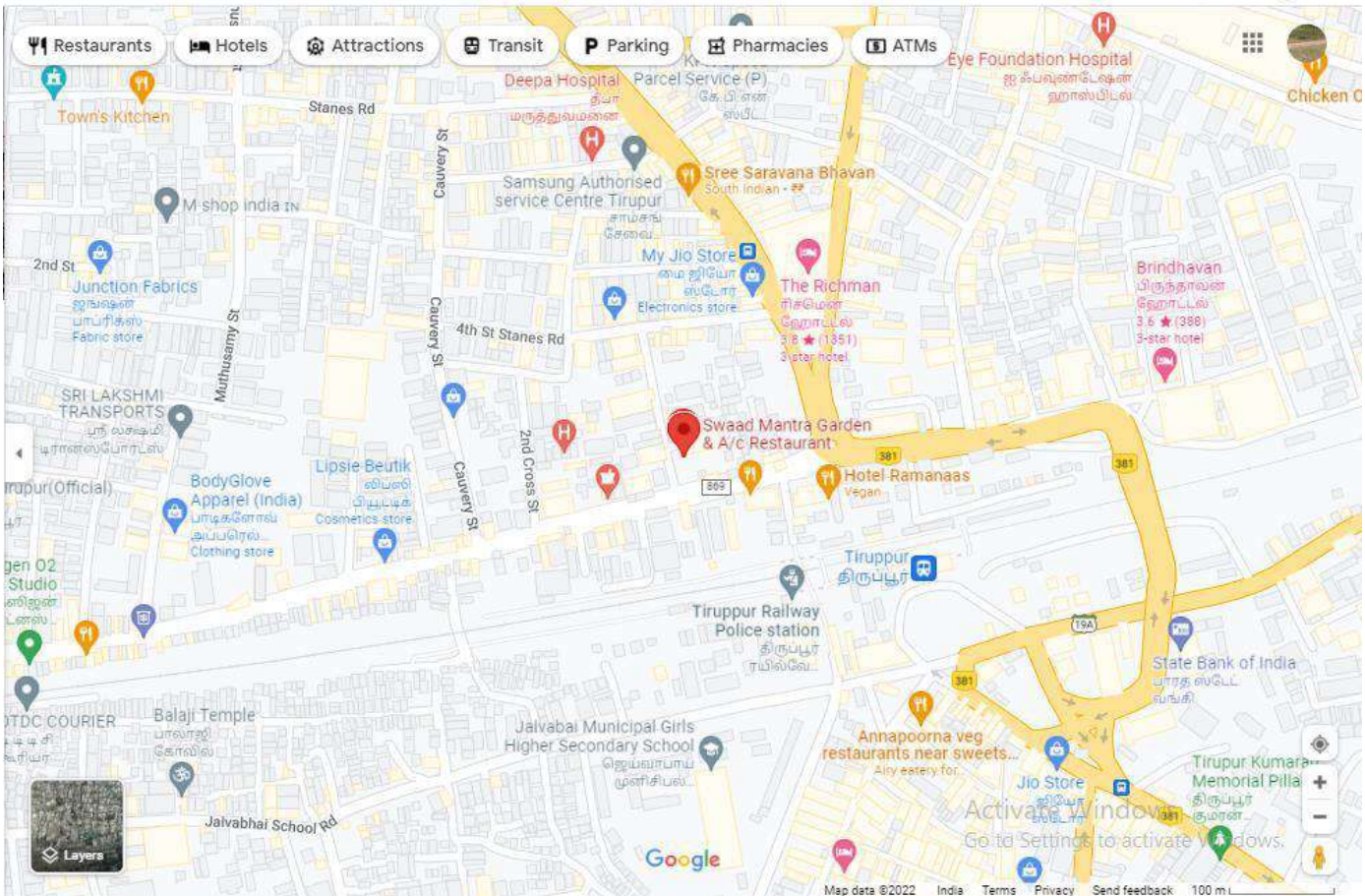
Date:

**(Signature of the Shareholder)**





**ROUTE MAP TO AGM:**



**VENUE OF THE MEETING**

Swaad Mantra Hotels and Restaurants  
No.8, College Road, Tiruppur – 641 602