

September 08, 2023

To,
BSE Limited.
Phiroze Jeejeebhoy Towers
Dalal Street, Fort.
Mumbai – 400001

Dear Sir/Madam,

SUB.: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2022-2023

SCRIP CODE: 539562

SECURITY ID: AARNAV

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report along with Notice of the 40th Annual General Meeting of the Aarnav Fashion Limited, which is scheduled to be held on Saturday, September 30, 2023 at 03:00 PM, Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405.

The Annual Report for the financial year ended 31st March, 2023 and the notice of 40th AGM are being dispatched electronically to the members of the Company whose email IDs are registered with the Company/Depositories/registrars & Share Transfer Agent.

The notice of 40th Annual General Meeting and Annual Report for the financial year ended 31st March 2023, already uploaded on the Company's website at www.aarnavgroup.com and can be accessed at <https://aarnavgroup.com/annual-report/>

Kindly take the same on record.

Thanking You

Yours faithfully,

FOR AARNAV FASHIONS LIMITED

**NIDHI AGRAWAL
COMPANY SECRETARY & COMPLIANCE OFFICER
FCS-12318**

AARNAV FASHIONS LIMITED

Regd. Off.: 1, New Cloth Market, O/s. Raipur Gate, Ahmedabad-380 002 (India).

Corporate Off. & Works :- Survey No. 302-305, Isanpur, Narol-Vatva Road, Ahmedabad-382 405 (India).

t: 079-29702983-84 e : aarnavfashions@gmail.com

CIN : L17100GJ1983PLC028990

AARNAV FASHIONS LIMITED

ANNUAL REPORT 2022-2023



AARNAV FASHIONS LIMITED
CIN: L17100GJ1983PLC028990

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

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

COMPANY INFORMATION

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

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NOTICE

Notice is hereby given that the 40th Annual General Meeting of **AARNAV FASHIONS LIMITED** will be held on Saturday, 30th day of September, 2023 at Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405 at 03.00 P.M.

ORDINARY BUSINESS:

ITEM NO.: 1 - ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt:

The Audited Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the Cash Flow Statements and Notes to the Accounts and Reports of the Board of Directors and the Auditors thereon; and,

ITEM NO.: 2 - TO APPOINT A DIRECTOR IN PLACE OF MS. NIDHI SANJAYKUMAR AGRAWAL, DIRECTOR (DIN: 08364168), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HERSELF FOR RE-APPOINTMENT.

SPECIAL BUSINESS:

ITEM NO.: 3 - TO RATIFY REMUNERATION OF COST AUDITOR FOR THE F.Y. 2022-23.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as approved by the Board of Directors of the Company, remuneration of 55,000/- (Rupees Fifty Five Thousand Only) (plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit) to be paid to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board of Directors of the Company for carrying out Cost Audit of the Company for Financial Year 2022-2023, be and is hereby approved and ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution.”

ITEM NO.: 4 - TO RATIFY REMUNERATION OF COST AUDITOR FOR THE F.Y. 2023-24

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as approved by the Board of Directors of the Company, remuneration of 55,000/- (Rupees Fifty Five Thousand Only) (plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit) to be paid to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad appointed by the Board of Directors of the Company for carrying out Cost Audit of the Company for Financial Year 2023-2024, be and is hereby approved and ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution.”

ITEM NO.: 5 - RE-APPOINTMENT OF MR. SAURABH VIJAY PATAWARI (DIN:08364509) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and Regulation 25(2A) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Nomination and Remuneration

Policy of the Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and notice in writing under Section 160(1) of the Companies Act, 2013 from a member of the Company proposing his candidature for office of Director of the Company, Mr. Saurabh Vijay Patawari (DIN: 08364509), who was appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from February 21, 2019 up to February 20, 2024 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) consecutive years on the Board of the Company commencing from February 21, 2024 up to February 20, 2029 (both days inclusive)."

"RESOLVED FURTHER THAT Mr. Sumit Agarwal, Managing Director, Mr. Champalal Gopiram Agarwal, Chairman and Director and Ms. Nidhi Aggrawal, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary for the re-appointment of Mr. Saurabh Vijay Patawari as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Gujarat."

ITEM NO.: 6 - RE-APPOINTMENT OF MR. KULDEEP ASHOKBHAJ SHAH (DIN: 08365637) AS AN INDEPENDENT DIRECTOR OF THE COMPANY (Brief Profile: Annexure A to this Notice).

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and Regulation 25(2A) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Nomination and Remuneration Policy of the Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and notice in writing under Section 160(1) of the Companies Act, 2013 from a member of the Company proposing his candidature for office of Director of the Company, Mr. Kuldeep Ashokbhai Shah (DIN: 08365637), who was appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from February 21, 2019 up to February 20, 2024 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) consecutive years on the Board of the Company commencing from February 21, 2024 up to February 20, 2029 (both days inclusive)."

"RESOLVED FURTHER THAT Mr. Sumit Agarwal, Managing Director, Mr. Champalal Gopiram Agarwal, Chairman and Director and Ms. Nidhi Aggrawal, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary for the re-appointment of Mr. Kuldeep Ashokbhai Shah as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Gujarat."

ITEM NO.: 7 - RE-APPOINTMENT OF MR. MADHUR MURARI TODI (DIN: 02343422) AS AN INDEPENDENT DIRECTOR OF THE COMPANY (Brief Profile: Annexure A to this Notice).

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and Regulation 25(2A) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Nomination and Remuneration Policy of the Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and notice in writing under Section 160(1) of the Companies Act, 2013 from a member of the Company proposing his candidature for office of Director of the Company, Mr. Madhur Murari Todi (DIN: 02343422), who was appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from March 16, 2019 up to March 15, 2024 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for

independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) consecutive years on the Board of the Company commencing from March 16, 2024 up to March 15, 2029 (both days inclusive)."

"RESOLVED FURTHER THAT Mr. Sumit Agarwal, Managing Director, Mr. Champalal Gopiram Agarwal, Chairman and Director and Ms. Nidhi Aggrawal, Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary for the re-appointment of Mr. Madhur Murari Todi as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Gujarat."

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

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

**AHMEDABAD
SEPTEMBER 05, 2023**

REGISTERED OFFICE:

**1, NEW CLOTH MARKET,
O/S RAIPUR GATE, RAIPUR,
AHMEDABAD - 380002, GUJARAT
WEBSITE: www.aarnavgroup.com
EMAIL: aarnavfashions@gmail.com**

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to the Special Business if any, to be transacted at the Annual General Meeting ("AGM"/ "Meeting") is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The proxy holder shall prove his identity at the time of attending the Meeting. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
3. Body Corporates whose Authorized Representatives are intending to attend the Meeting are requested to send to the scrutinizer on the Email Id: ravi@ravics.com, certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through e-voting with a copy marked to helpdesk.evoting@cdslindia.com. Such authorization shall contain necessary authority in favour of its authorized representative(s).
4. In compliance with the Ministry of Corporate Affairs ("MCA") Circulars and SEBI Circulars, on receiving various representations, the Securities and Exchange Board of India ("SEBI") also issued Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 providing relaxation from requirements under Regulation 36(1)(b) of Listing Regulations up to September 30, 2023 in respect to sending hard copies of Annual Reports to the shareholders. Notice of the AGM along with the Annual Report 2022-2023 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants (DPs). Members may note that the Notice and Annual Report 2022-2023 will also be available on the Company's website at www.aarnavgroup.com and websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com.
5. Members are requested to register their Email Ids with their DP or with the RTA of the Company, to receive documents / notices electronically from the Company. Please note that, in case you have already registered your Email Id, you are not required to re-register unless there is any change in your Email Id. Members holding shares in physical form are requested to send Email at mcsstaahmd@gmail.com to update their Email Ids.
6. Those Members whose Email Id are not registered can get their Email Id registered as follows:
 - a. Members holding shares in demat form can get their Email Id registered / updated by contacting their respective Depository Participant (DP).
 - b. Members holding shares in the physical form can get their Email Id registered by contacting our Registrar & Share Transfer Agent M/s. MCS Share Transfer Agent Limited ("RTA"), 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 (E-mail:- mcsstaahmd@gmail.com; Tel: (079)26580461 / 62 / 63) or by sending the duly filled in E-communication registration form enclosed with this Notice to our RTA on their Email Id: mcsstaahmd@gmail.com
7. Pursuant to the provisions of Section 91 of the Companies Act, 2013, read with Rule 10 of Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 42 of Listing Regulations, the Register of members and share transfer books of the Company will remain closed from Sunday, September 24, 2023 to Saturday, September 30, 2023 (both days inclusive) A person who is not a Member as on the Cut-off Date, i.e. Saturday, September 23, 2023, should treat the Notice for information purpose only.
8. Members / Proxies / Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of Annual Report.
9. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and other documents as referred in the Notice are available for inspection by the Members at Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405, during business hours on all working days except Saturdays, Sundays and National Holidays up to the date of the AGM.

11. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS) / Real Time Gross Settlement (RTGS) / Direct Credit / IMPS / NEFT etc.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank account along with the original cancelled cheque bearing the name of the Member to RTA / Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, Email Id and Mobile No(s). Members holding shares in physical form may communicate these details to the RTA MCS Share Transfer Agent Limited, 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 (E-mail:- mcsstaahmd@gmail.com; Tel: (079)26580461 / 62 / 63), by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of Email Ids and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc. The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, Email address, telephone / mobile numbers, 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 DPs in case the shares are held by them in electronic form and to MCS Share Transfer Agent Limited, 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 (E-mail:- mcsstaahmd@gmail.com; Tel: (079)26580461 / 62 / 63), in case the shares are held by them in physical form.
13. Shareholders who have not yet en-cashed their dividend warrant(s) for any financial year, are requested to submit their claim to the R&T Agent of the Company immediately to avoid transferring of their unpaid dividend amount to IEPF A/c after 7 years under applicable provisions.

Members are further requested to note that pursuant to the provisions of Section 124 and 125 of Companies Act, 2013, the dividends if not en-cashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) and the shares in respect of which dividends remain unclaimed for seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority and no claim with the Company shall lie in respect thereof. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends /shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF-5 available on www.iepf.gov.in.

14. The information regarding the Director(s) who is / are proposed to be re-appointed, as required to be provided under Listing Regulations and Secretarial Standard on General Meetings issued, is annexed hereto.
15. Members desiring any information as regards to Accounts are requested to send an Email to aarnavfashions@gmail.com, 14 days in advance before the date of the AGM to enable the Management to keep full information ready on the date of AGM
16. The business set out in the Notice will also be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice.
17. If any of the members are holding shares in the same name or in the same order of names under different folios, then members are requested to notify the same to the RTA for consolidation of their shareholding into a single folio.
18. As per Securities and Exchange Board of India (SEBI) Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the said changes which came into effect from April 1, 2019, Equity Shares of the Company shall be eligible for transfer only in dematerialized form. Therefore, the Members are requested to take action to dematerialize their physical Equity Shares of the Company promptly. The detailed procedure of conversion of physical shares into dematerialization form is available on the website of Central Depository Services (India) Limited (CDSL) i.e. www.cdslindia.com, National Securities Depository Limited (NSDL) i.e. www.nsdl.co.in.
19. Members are informed that as an ongoing measure to enhance ease of doing business for investors in dealing in securities markets by investors, SEBI vide its Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 has made

applicable Common and Simplified Norms for processing investor's service request by RTAs and norms for mandatory furnishing PAN, KYC details and Nomination through various Forms.

For shares held in dematerialized form: to their Depository Participants (DPs)

For shares held in physical form: to the Company / RTA in prescribed Form ISR-1 and in other such applicable forms in accordance with the above mentioned SEBI Circular.

The downloadable version of such Forms are available on the website of the Company. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, and transposition. Accordingly, members are requested to make such service requests by submitting a duly filled and signed Form ISR – 4, the downloadable version of such Form is available on the website of the Company and RTA. It may be noted that any service request can be processed only after the folio is KYC Compliant.

As a part of compliance of afore stated circulars, the Company had also intimated the physical shareholders about the compliance requirement by sending the notices to the concerned physical shareholders of the Company.

Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file (a) nomination in the prescribed Form SH-13 (b) for cancellation / variations in nomination in the prescribed Form SH-14 and (c) for opting out of Nomination in prescribed Form ISR - 3 with the RTA of the Company. The said forms can be downloaded from the website of the Company i.e. www.aarnavgroup.com. Members are requested to submit the said details to their Depository Participants (DP) in case the shares are held by them in dematerialized form and to the Company in case the shares are held in physical form. Further SEBI vide Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 had mandated providing choice of nomination details, i.e., either furnishing of nomination or declaration for opting out of nomination for investors opening new trading and or demat account(s) on or after October 1, 2021 and for all existing eligible trading and demat account holders latest by September 30, 2023 failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits

20. The Company has designated Email Id: aarnavfashions@gmail.com for redressal of shareholders' / Investors complaints / grievances. In case a shareholders have any queries / complaints / grievances, they may write at aarnavfashions@gmail.com from their registered Email Id mentioning their names and folio numbers / demat account numbers.
21. Tax Deduction at Source (TDS) on Dividend: Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income became taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the Depository Participants (if shares held in dematerialized form) and the Company (if shares are held in physical form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by Email to RTA / Company. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by Email to RTA / Company.

Members are requested to quote their Folio No. or DP Id / Client Id, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / RTA.

22. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

- (i) The voting period begins on Wednesday, September 27, 2023 at 9:00 a.m. and ends on Friday, 29th September, 2023 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Saturday, September 23, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com 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. 2) If the user is not registered for IDEAS e-Services, option to register is available at

	<p>https://eservices.nSDL.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

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

LOGIN TYPE	HELPDESK DETAILS
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nSDL.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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.</p>

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

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; aarnavfashions@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3: RATIFY REMUNERATION OF COST AUDITOR FOR THE F.Y. 2022-23.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors has to be subsequently ratified by the Members of the Company. On recommendation of the Audit Committee, the Company appointed M/s Kiran J. Mehta & Co., as Cost Auditors of the Company for the Financial Year 2022-2023 at a remuneration of Rs. 55,000/- excluding out of pocket expenses and applicable Goods and Service tax.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-2023.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members of the Company.

ITEM NO. 4: RATIFY REMUNERATION OF COST AUDITOR FOR THE F.Y. 2023-24.

The Board of Directors of the Company at their meeting held on August 14, 2023 has, on recommendation of the Audit Committee, appointed M/s Kiran J. Mehta & Co., as Cost Auditors of the Company for the Financial Year 2023-2024 at a remuneration of Rs. 55,000/- excluding out of pocket expenses and applicable Goods and Service tax.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors has to be subsequently ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-2024.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members of the Company.

ITEM NO. 5: RE-APPOINTMENT OF MR. SAURABH VIJAY PATAWARI (DIN:08364509) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Saurabh Vijay Patawari (DIN:08364509) is currently an Independent Director and chairman of Stake Holders and Relationship Committee and Member of Audit Committee.

Mr. Saurabh Vijay Patawari was appointed as an Independent Director of the Company by the Members via postal ballot on June 05, 2019 for a period of 5 (five) consecutive years commencing from February 21, 2019 up to February 20, 2024 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC') and notice in writing under Section 160(1) of the Companies Act, 2013 from a member of the Company proposing his candidature for office of Director of the Company, the Board of Directors at its meeting held on September 05, 2023, proposed the re-appointment of Mr. Saurabh Vijay Patawari as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from February 21, 2024 up to February 20, 2029 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Mr. Saurabh Vijay Patawari is a seasoned professional, proficient in both Company Secretary and LL.B. With a robust background in corporate governance and legal compliance, he excels in navigating complex legal landscapes. His dual expertise in Company Secretaryship and LL.B. equips him with a profound comprehension of legal intricacies, regulatory frameworks, and effective corporate management.

Considering the essential skills, expertise, and competencies demanded by the Board in alignment with the Company's business and sectors, and following a thorough performance evaluation, the Nomination and Remuneration Committee has determined and

proposed to the Board that Mr. Sourabh Vijay Patawari's qualifications and extensive experience in the mentioned domains are well-suited to fulfill the responsibilities of an Independent Director of the Company. The Board is in agreement that Mr. Sourabh Vijay Patawari's role as an Independent Director is valuable and that his ongoing involvement will greatly contribute to the Company's advancement.

The Company has received a declaration from Mr. Sourabh Patawari confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Sourabh Patawari has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Sourabh Patawari fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Sourabh Patawari as an Independent Director is now placed for the approval of the Members by a Special Resolution.

Pursuant to Regulation 25 (2A) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. The Board commends the Special Resolution set out in Item No. 5 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Sourabh Patawari and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

ITEM NO. 6: RE-APPOINTMENT OF MR. KULDEEP ASHOKBHAI SHAH (DIN: 08365637) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Kuldeep Ashokbhai Shah (DIN: 08365637) is currently an Independent Director and chairman of Audit Committee and Member of Stake Holders and Relationship Committee.

Mr. Kuldeep Ashokbhai Shah was appointed as an Independent Director of the Company by the Members via postal ballot on June 05, 2019 for a period of 5 (five) consecutive years commencing from February 21, 2019 up to February 20, 2024 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC') and notice in writing under Section 160(1) of the Companies Act, 2013 from a member of the Company proposing his candidature for office of Director of the Company, the Board of Directors at its meeting held on September 05, 2023, proposed the re-appointment of Mr. Kuldeep Ashokbhai Shah as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from February 21, 2024 up to February 20, 2029 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Mr. Kuldeep Ashokbhai Shah is a B.com, M.com, Inter CA. Possessing a comprehensive understanding of financial management, accounting principles, and business operations. Proven ability to analyze complex financial data, drive strategic decisions, and contribute to the financial health of organizations.

Taking into account the requisite skills, expertise, and competencies sought by the Board, aligning with the Company's business and sectors, and after a comprehensive performance evaluation, the Nomination and Remuneration Committee has concluded and recommended to the Board that Mr. Kuldeep Ashokbhai Shah's qualifications and substantial experience in the mentioned domains make him an excellent fit for the role of Independent Director of the Company. The Board concurs that Mr. Kuldeep Ashokbhai Shah's contribution as an Independent Director is invaluable and anticipates that his continued engagement will significantly contribute to the Company's progress.

The Company has received a declaration from Mr. Kuldeep Ashokbhai Shah confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Kuldeep Ashokbhai Shah has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Kuldeep Ashokbhai Shah fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Kuldeep Ashokbhai Shah as an Independent Director is now placed for the approval of the Members by a Special Resolution.

Pursuant to Regulation 25 (2A) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. The Board commends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Kuldeep Ashokbhai Shah and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

ITEM NO. 7: RE-APPOINTMENT OF MR. MADHUR MURARI TODI (DIN: 02343422) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Madhur Murari Todi (DIN: 02343422) is currently an Independent Director and member of Stake Holders and Relationship Committee and Audit Committee.

Mr. Madhur Murari Todi was appointed as an Independent Director of the Company by the Members via postal ballot on June 05, 2019 for a period of 5 (five) consecutive years commencing from March 16, 2019 up to March 15, 2024 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC') and notice in writing under Section 160(1) of the Companies Act, 2013 from a member of the Company proposing his candidature for office of Director of the Company, the Board of Directors at its meeting held on September 05, 2023, proposed the re-appointment of Mr. Madhur Murari Todi as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from March 16, 2024 up to March 15, 2029 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Mr. Madhur Murari Todi is a financial professional armed with the prestigious Certified Financial Planner (CFP) designation and an MBA in Finance & Information Management from IIT Chicago, USA. Adept in providing comprehensive financial advisory services, strategic financial planning, and leveraging technology for informed decision-making. Possessing a holistic understanding of financial markets, risk management, and data-driven financial solutions.

Taking into consideration the indispensable skills, expertise, and competencies sought by the Board, harmonizing with the Company's business and sectors, and subsequent to a comprehensive performance assessment, the Nomination and Remuneration Committee has ascertained and put forth to the Board that Mr. Madhur Murari Todi's qualifications and extensive experience in the specified domains distinctly qualify him for the role of Independent Director within the Company. The Board collectively acknowledges the significance of Mr. Madhur Murari Todi's position as an Independent Director, recognizing its value in advancing the Company and anticipates his continued contribution.

The Company has received a declaration from Mr. Madhur Murari Todi confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Madhur Murari Todi has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Madhur Murari Todi fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company.

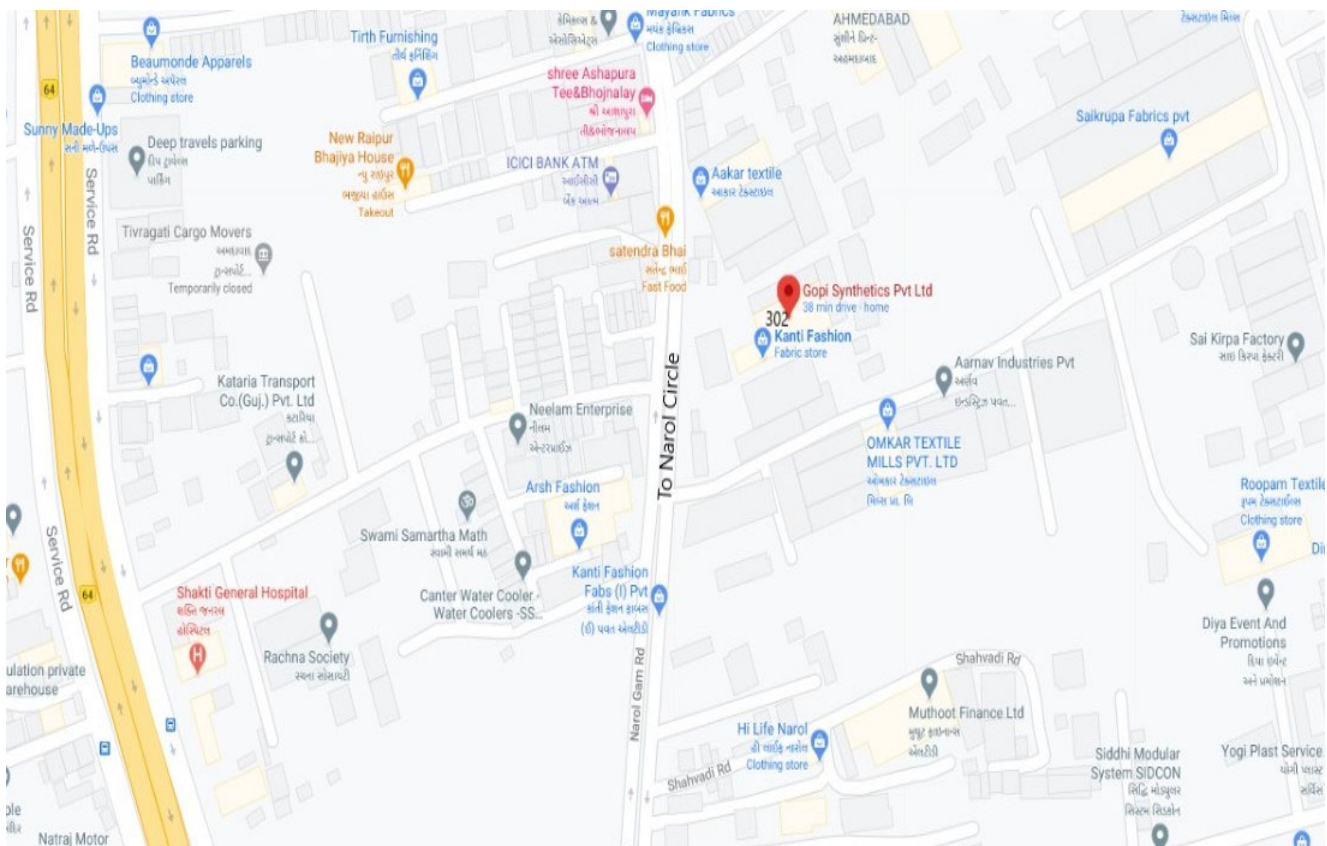
In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Madhur Murari Todi as an Independent Director is now placed for the approval of the Members by a Special Resolution.

Pursuant to Regulation 25 (2A) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution. The Board commends the Special Resolution set out in Item No. 7 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Madhur Murari Todi and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

ROUTE MAP OF THE MEETING:



Details for re-appointment of Directors {Disclosure under Regulation 36(3) of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is as per details mentioned below:

Name of Director	Ms. NIDHI SANJAYKUMAR AGRAWAL	MR. SOURABH PATAWARI
DIN	08364168	08364509
Date of Birth	21-09-1993	09-03-1989
Age	29	34
Experience	7 years	9 years
Date of Appointment/Re-appointment	February 21, 2019	February 21, 2019
Terms and conditions of appointment	Appointed as Director, liable to retire by rotation.	Independent Director
Remuneration paid	-	-
Qualification	B.Com, L.L.B. , C.S.	Company Secretary, LL.B
Designation	Director	Independent Director
Expertise in Specific Functional Areas	Compliance and Company Law	Corporate Laws and Corporate Governance.
Disclosure of relationships between directors inter-se and with Manager and Key Managerial Personnel of the Company	N.A.	N.A.
Names of listed entities in which person holds Directorship and the membership of the committees of the Board*	-	-
Director of another Company**	-	Sanstar Limited Sanstar Biopolymers Limited Vinod Denim Limited
Number of shares held in the Company	-	-
No. of Meetings of the Board attended during the year	8	8
Names of companies along with listed entities in which person has resigned in the past three years.	-	Anjani Synthetics Limited
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.	As mentioned under Item No. 5 of the Explanatory Statement
Justification for appointment of Independent Director	N.A.	As mentioned under Item No. 5 of the Explanatory Statement

*Excluding Aarnav Fashions Limited

** Excluding Listed Companies

Details for re-appointment of Directors {Disclosure under Regulation 36(3) of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is as per details mentioned below:

Name of Director	MR. KULDEEP SHAH	MR. MADHUR MURAI TODI
DIN	08365637	02343422
Date of Birth	18/01/1988	01/09/1976
Age	35	47
Experience	More than 10 years	More than 20 years
Date of Appointment/Re-appointment	February 21, 2019	March 16, 2019
Terms and conditions of appointment	Independent Director	Independent Director
Remuneration paid	-	-
Qualification	B.com, M.com, Inter CA	CFP (Certified Financial Planner) MBA (Finance & Info Management) from IIT Chicago, USA
Designation	Independent Director	Independent Director
Expertise in Specific Functional Areas	Professional Business Service provider for Taxes, Accounting, Loans, and GST	Financial Planning
Disclosure of relationships between directors inter-se and with Manager and Key Managerial Personnel of the Company	N.A.	N.A.
Names of listed entities in which person holds Directorship and the membership of the committees of the Board*	Anjani Synthetics Limited	-
Director of another Company**	Sanstar Limited Sanstar Biopolymers Limited	Todi Exports And Securities Limited
Number of shares held in the Company	-	-
No. of Meetings of the Board attended during the year	8	8
Names of companies along with listed entities in which person has resigned in the past three years.	-	-
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	As mentioned under Item No. 6 of the Explanatory Statement	As mentioned under Item No. 7 of the Explanatory Statement
Justification for appointment of Independent Director	As mentioned under Item No. 6 of the Explanatory Statement	As mentioned under Item No. 7 of the Explanatory Statement

*Excluding Aarnav Fashions Limited

** Excluding Listed Companies

DIRECTORS REPORT

To
The Members,
AARNAV FASHIONS LIMITED

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company'), along with the audited financial statements, for the financial year ended March 31, 2023.

1. FINANCIAL RESULTS:

(Amount in Lakh)

PARTICULARS	2022-2023	2021-2022
Revenue from Operations	39691.27	42056.83
Other Income	31.83	9.47
Total Income	39723.10	42066.30
Profit/(Loss) before Finance Cost, Depreciation & Tax	2001.16	3197.14
Less: Depreciation /Amortization/Impairment	762.95	742.36
Less: Finance Costs	1143.81	1192.53
Profit/(Loss) Exceptional items and Tax Expense	94.40	1262.25
Profit/(Loss) before Tax	94.40	1262.25
Provision for Taxation - Current Tax	25.00	315.00
Deferred Tax	0.77	0.77
Excess provision for Tax expense for earlier years	30.49	14.89
Profit for the year	38.14	931.58
Total Comprehensive Income/Loss	37.98	946.72

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

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

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

During the year under review, Company has earned total income of Rs. 39723.10 Lakh as against the total income of Rs. 42066.30 Lakh of previous year. The total income of the company was down by 5.57% over previous year. Further, Profit before Tax in the financial year 2022-2023 stood at Rs. 94.00 Lakh as compared to Rs 1262.25 Lakh of last year and Net Profit after Tax stood at Rs. 38.14 Lakh compared to profit of Rs. 931.58 Lakhs for previous year.

3. CHANGE IN NATURE OF BUSINESS:

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

4. TRANSFER TO RESERVES:

The Board of Directors has decided to retain the entire amount of profits for 2022-23 in the Retained Earnings.

5. DIVIDEND:

Looking to the marginal profit earned by the Company your Directors do not recommend any dividend for the financial year ended on 31st March, 2023.

6. BOARD MEETING

During the year under review, Board of Directors of the Company met 8 (Eight) times. The dates of the meetings of the Board and attendance of Directors are mentioned in the Corporate Governance Report as enclosed with this report.

The Board of Directors duly met eight (8) times during the financial year from 1st April 2022 to 31st March 2023. The dates on which the meetings were held are May 05, 2022, May 28, 2022, July 28, 2022, August 26, 2022, November 11, 2022, November 14, 2022, November 19, 2022, February 11, 2023. All the meetings were conducted through Physical mode.

7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Ms. Nidhi Sanjaykumar Aggrawal, Director (DIN: 08364168), Director of the Company will retire by rotation at the ensuing 40th Annual General Meeting and being eligible offers herself for reappointment.

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

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

8. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received statements from all the Independent Directors confirming their alignment with the independence criteria as stipulated under sub-section (6) of Section 149 of the Companies Act, 2013, as well as under Regulation 16(1)(b) in conjunction with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In adherence to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Non-Executive Independent Directors of the Company have duly registered themselves with the Indian Institute of Corporate Affairs (IICA), Manesar. Furthermore, they have successfully included their names in the database for Independent Directors within the statutory timeline.

The Independent Directors have also affirmed their compliance with Schedule IV of the Companies Act and the Company's established Code of Conduct.

Pursuant to Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors have validated that they possess no knowledge of any circumstances or situations, either current or potential, that could hinder or influence their capacity to fulfil their responsibilities with impartial and objective judgment, free from external influences.

Throughout the year, the Independent Directors of the Company maintained a lack of pecuniary relationships or transactions with the Company, apart from receiving sitting fees, commissions, and reimbursements for expenses related to their participation in meetings of the Board of Directors and its Committees.

9. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Company's Board Members have been given opportunities to acquaint themselves with the Company, its management, and operations. Directors receive necessary documents to enhance their understanding of the Company, its operations, and the industry.

Independent Directors are informed of their roles and responsibilities upon appointment through a formal letter, including engagement terms. Executive Directors and Senior Management provide insights into operations, Company values, and structure for new Non-Executive Directors. This encompasses committee constitution, board procedures, risk management strategies, etc.

Senior management periodically presents on Company operations, plans, strategy, risks, and new initiatives, seeking the Board's input. Directors are briefed on evolving responsibilities and duties. The Board receives summaries of critical regulatory changes.

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

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

Board Members are selected and appointed based on a comprehensive set of criteria, including ethical standards, personal and professional standing, domain expertise, gender diversity, and specific qualifications pertinent to the role. The evaluation process also incorporates the independence criteria defined in Section 149(6) of the Companies Act, 2013, and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following the guidance of the Nomination and Remuneration Committee and in compliance with Section 178(3) of the Companies Act, 2013, and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formulated a remuneration policy for Directors, Key Management Personnel (KMPs), and Senior Management.

We affirm that the compensation provided to Directors aligns with the stipulations outlined in the Company's Nomination and Remuneration Policy. Weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-25.pdf>.

11. VIGIL MECHANISM:

The Company has instituted a vigil mechanism, also known as the Whistleblower Policy. This policy empowers employees to bring forth instances of unethical behavior, suspected or actual fraud, or breaches of the Company's Code of Conduct to the attention of management. The adopted mechanism actively encourages individuals to report genuine concerns or grievances. It also ensures protection against any form of retaliation for those utilizing the mechanism. In extraordinary situations, direct access to the Chairman of the Audit Committee is facilitated.

The functionality of this vigil mechanism undergoes periodic reviews by the Audit Committee. It's noteworthy that none of the individuals who have acted as whistleblowers have encountered obstacles in accessing the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company. The weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-17.pdf>.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

14. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2023 on its website at www.aarnavgroup.com. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report. The weblink of Annual Return is <https://aarnavgroup.com/wp-content/uploads/2021/09/Click-here-to-download.pdf>

15. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE:

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

16. AUDITORS:

a) Statutory Auditors

As per the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad (ICAI Registration No. 106801W) were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the 36thAGM to the conclusion of the 41stAGM to be held in 2024.

Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the financial year ended on March 31, 2023 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the coming years.

b) SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S Ravi Kapoor & Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the financial year 2022-2023.

Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2023 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013 and has noted that during the year, the Company does not have any reservation, qualification or adverse remarks. The secretarial Audit Report is attached in **Annexure- A** of this Annual Report.

Annual Secretarial Compliance Report

The Company has filed the Annual Secretarial Compliance Report for the year 2022-23 with the BSE Ltd. The report was received from a Practicing Company Secretary and filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

c) INTERNAL AUDITOR

Pursuant to provision of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and section 179 read with Rule 8(4) of the Companies (Meeting of Board and its Power) rules, 2014 the Company has appointed M/s Mayur B Parikh (Firm Regn. No. 137505W) Chartered Accountants as Internal auditor of the Company for the Financial Year 2022-2023.

d) COST AUDITORS

Your Company maintained the required cost records as specified by the Central Government under sub-section (1) of section 148 of the Act. On the recommendation of the Audit Committee, the Board of Directors appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors of the Company for financial year ended on 31st March 2023.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 40th Annual General Meeting of your Company

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

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

A. Conservation of Energy:

I. the steps taken or impact on conservation of Energy

- The company has installed inverters / AC drives to save the power.
 - Other necessary energy conservation measures are taken on day to day basis.
 - The Company has installed various resources saving machineries i.e. Caustic Recovery Plant (CRP) for reuse of Caustic.

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

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

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

B. Technology Absorption:

i. The efforts made towards technology absorption

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

ii. the benefits derived as a result of above efforts

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

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

The company has imported various imported Machineries for Printing Process, Laser Engraving

Work, Finishing Processes, etc during the last three years for betterment of Finished quality in terms of Design Sharpness and Brightness and also for smoother and faster cloth processing of Raw Cloth.

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

C. The particulars of foreign exchange earnings and outgoes:

<u>Foreign Exchange Earnings:</u>	FY 22-23	FY 21-22
FOB Value of Exports (Rs. in Lakh)	76.99	756.61
<u>Foreign Exchange Outgoes:</u>		
C.I.F. Value of Imports (Rs. in lakh)		
Raw Materials –Cloth	0.00	0.00
Raw Materials- Colour Chemicals	0.00	50.64
Stores & Spares	92.66	50.18
Capital Goods (Pl. & Mach.)	0.00	0.00
Expenditure in Foreign Currency (Rs. in Lakh)		
Foreign Travelling	25.06	14.77
Machinery Repairs	45.50	35.32

18. PUBLIC DEPOSIT

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

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

20. SCHEME OF AMALGAMATION:

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

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

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

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

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

Except as disclosed elsewhere in this report, no other material changes and commitments which could affect the Company’s financial position have occurred between the end of financial year of the Company and date of this report.

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

No significant and material order was passed by any competent authority impacting Company Operation in future.

23. SHARE CAPITAL:

A joint application seeking directions under section 230-232 for the Scheme of amalgamation was filed with Hon'ble National Company Law Tribunal on August 25, 2021 and scheme was admitted on September 27, 2021. The aforesaid Scheme of Amalgamation was approved by the Hon'ble National Company Law Tribunal and the Scheme came into effect from August 10, 2022. The entire business and whole of the undertaking of all the transferor Companies stands transferred and vested in the Company effective from October 01, 2020, being the appointed date of the said Scheme.

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

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

24. RISK MANAGEMENT:

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

25. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

26. RELATED PARTY TRANSACTIONS:

It appears that you've provided a statement regarding a company's adherence to ethical standards, transparency, and compliance with various regulations related to related party transactions. In this statement, the company emphasizes that all contracts, arrangements, and transactions with related parties were conducted in the ordinary course of business and on an arm's length basis. They state that there were no material contracts with related parties as defined by the relevant legal provisions.

The company mentions that related party transactions are reviewed and approved by the Audit Committee as required by the law and listing regulations. They also state that they have submitted half-yearly disclosures of related party transactions to the Stock Exchanges in accordance with the listing regulations.

The company has provided a statement of particulars of contracts and arrangements with related parties as per the prescribed format (Form-AOC-2) in the Board Report.

The statement clarifies that there were no significant related party transactions with the company's promoters, directors, management, their relatives, subsidiaries, or associate companies that could potentially conflict with the interests of the company and require shareholders' approval under the Listing Regulations.

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

27. FORMAL ANNUAL EVALUATION:

The Company has established a comprehensive policy for evaluating the performance of the Board, Committees, and individual Directors, encompassing both Independent and Non-Executive Directors, as well as Executive Directors.

In accordance with this policy, the Board has conducted an annual appraisal of its own performance and that of individual Directors, including Independent Directors. Furthermore, Committees of the Board have conducted self-assessments, with the results presented to the Chairman of the Nomination and Remuneration Committee for review.

For the evaluation of Independent Directors, the entire Board, except the Director being evaluated, participated. The performance assessment of the Chairman and Non-Independent Directors was executed by the Independent Directors, who also evaluated the overall performance of the Board.

The evaluation of the Board's functionality encompassed various dimensions, including the degree to which key responsibilities were fulfilled, Board structure, composition, assignment of duties to Committees, effectiveness of Board processes, and information flow.

Directors were evaluated on factors such as their presence and contribution during Board and Committee Meetings, as well as their guidance and support to management outside these meetings. Additionally, the Chairman underwent assessment of critical aspects of their role, including setting the Board's strategic agenda and promoting active engagement among all Board Members.

Evaluation of the Board Committees encompassed the extent of fulfillment of core responsibilities, adequacy of Committee composition, and efficacy of meetings. Independent Directors were appraised based on parameters such as qualifications, experience, knowledge, competence, role fulfillment, teamwork, initiative, commitment, independence, capacity to express impartial viewpoints, attendance, adherence to the Company's Code of Conduct and applicable Code for Independent Directors, comprehension of the Company's operational environment, contribution to strategic decision-making, raising valid concerns to the Board, interpersonal relations with peers and management, impartial assessment of Board performance, unbiased opinions, safeguarding confidential information, and upholding integrity.

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

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

28. PARTICULARS OF EMPLOYEES

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

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

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

The details of complaints received and disposed of during the financial year 2022-2023 is as follows

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

30. LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing Fees for the year 2022-2023 to BSE where the Company's Shares are listed.

31. INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted the "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code"). The Code is applicable to Promoters, all Directors, Designated persons and connected Persons and their immediate relatives, who are expected to have access to unpublished price sensitive information relating to the Company. The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS)' in compliance with the PIT Regulations. The aforesaid Codes are posted on the Company's website and can be accessed by using web link at and is available on our website.

32. DETAILS OF COMPOSITION OF AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:

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

33. CORPORATE GOVERNANCE:

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

34. MANAGEMENT DISCUSSION ANALYSIS

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

35. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

It is not applicable to the Company, during the financial year.

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

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

38. SECRETARIAL STANDARDS

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

39. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

40. FAILURE TO IMPLEMENT CORPORATE ACTIONS:

During the year under review, no corporate actions were done by the Company, which have failed to be implemented.

41. CREDIT RATING

The Company has been awarded BBB- (Stable) credit rating for its long-term fund based/CC/TL and A3 for short term fund based/CC/TL by CRISIL.

42. APPRECIATION:

Your Board of Directors would like to formally acknowledge and express their gratitude for the valuable contributions made by employees across all tiers within the organization. These contributions have been instrumental in fostering the ongoing expansion and prosperity of the company.

Additionally, the Board of Directors extends its sincere appreciation to the business associates, banks, other financial institutions, and shareholders of the company. Their unwavering support has been pivotal in driving the company's growth trajectory.

**PLACE: AHMEDABAD
DATE: 05.09.2023**

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

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

ANNEXURE – A

Form No. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members
AARNAV FASHIONS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aarnav Fashions Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(To the extent applicable during the year)**
 - (d) Securities And Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(These regulations are not applicable to the Company)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021; **(These regulations are not applicable to the Company)**
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(These regulations are not applicable to the Company)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(These regulations are not applicable to the Company)**

We have also examined compliance with applicable clauses of the following

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

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

We further report that:

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

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

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

Place: Ahmedabad
Date: 5th September, 2023

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587E000943813

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

Annexure A

To,
The Members
AARNAV FASHIONS LIMITED

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

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

Place: Ahmedabad
Date: 5th September, 2023

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587E000943813

ANNEXURE – B

FORM NO. AOC-2

(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)
{FOR THE FINANCIAL YEAR 2022-2023}

FORM FOR 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 ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

- Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.
 - Name(s) of the related party and nature of relationship: NA
 - Nature of contracts/arrangements/transactions: NA
 - Duration of the contracts/arrangements/transactions: NA
 - Salient terms of the contracts or arrangements or transactions including the value, if any: NA
 - Justification for entering into such contracts or arrangements or transactions: NA
 - date(s) of approval by the Board: NA
 - Amount paid as advances, if any: NA
 - Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NA
- Details of material contracts or arrangement or transactions at arm's length basis

SR. NO.	PARTICULARS	RPT – 1	RTP-2	RTP-3
1	Name(s) of the related party and nature of relationship	Aarnav Industries Pvt. Ltd.	Aarnav Industries Pvt. Ltd.	Alpine Spinweave Pvt Ltd.
2	Nature of contracts/ arrangements/ transactions	Purchase of goods	Sale of Goods	Sale of Goods
3	Duration of the contracts / arrangements/ transactions	F.Y. 2022-2023		
4	Salient terms of the contracts or arrangements or transactions including the value, if any	All transactions entered by the Company are at Market rate and on arms' length basis		
5	Date(s) of approval by the Board	May 05, 2022	May 05, 2022	May 05, 2022
6	Amount of Transactions entered	Rs. 43,266,566	Rs. 29,437,288	Rs. 62,53,853
7	Amount paid as advances, if any	N.A.	N.A.	N.A.

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

- As defined under Regulation 23 of the SEBI (LODR) Regulations, 2015 and the Related Party Transactions Policy adopted by the Board of Directors of the Company, there was no Material Related Party Transaction entered during the Financial Year 2022-2023.
- All transactions with related parties were in the Ordinary Course of Business and at arm's length basis and were specifically approved by the Audit Committee and the Board of Directors of the Company.

PLACE: AHMEDABAD
DATE: 05.09.2023

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

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

ANNEXURE-C

PARTICULARS OF EMPLOYEES

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

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

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

a) The ratio of remuneration of each director to the median remuneration of employees for the financial year 2022-2023

Sr. No.	Name	Designation	Ratio against median Employee' Remuneration
1.	CHAMPALAL GOPIRAM AGARWAL	Chairman	10:1
2.	SUMIT CHAMPALAL AGARWAL	Managing Director	10:1
3.	NIDHI SANJAYKUMAR AGGRAWAL	Woman Director	1.6:1
4.	SOURABH VIJAY PATAWARI	Independent Director	N.A
5.	KULDEEP ASHOKBHAI SHAH	Independent Director	N.A
6.	MADHUR MURARI TODI	Independent Director	N.A

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

b) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-2023:

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

The median remuneration of the employees of the Company as on 31st March, 2022 was Rs. 30,000 per year

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

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

d) The number of permanent employees during the year on the rolls of the Company: 127 Employees

Employees at end of the financial year: 127 employees

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

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

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

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

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

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

Name of Employee	Designation	Remuneration Received (Per Month)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment held	% of Equity shares held (As on 31.03.2023)	Relationship with Director or Manager of the Company, if any
SANTOSH KUMAR DAS	PROD. MANAGER	140000	PERMANENT	BSC, DTC	01/10/2023	43	CTM TEXTILE MILL	0.00	NA
DILIP KUMAR BAJPAY	PROD. MANAGER	136000	PERMANENT	12 PASS	23/03/2019	57	MUKESH INDUSTRIES	0.00	NA
ABHAYJEET SINGH	PROD. MANAGER	134000	PERMANENT	MSC & 31 year Experience	11/11/1992	56	NIL	0.00	NA
RAJENDRA PATEL	PROD. MANAGER	130000	PERMANENT	FY BA	20/03/2010	42	MANGAL TEXTILE	0.00	NA
SHIVBHAGVAN BOHRA	MANAGER	126000	PERMANENT	8 PASS, 29 years' Experience	01/02/1994	49	NIL	0.00	NA
HASHMUKH PATEL	MANAGER	120000	PERMANENT	BA PASS	01/06/2022	60	PRAKESH TEXTILES	0.00	NA
PANKAJ C PATEL	PROD. MANAGER	100000	PERMANENT	BSC, CHEMST	03/02/2023	58	CTM TEXTILE	0.00	NA
ANJANA GUPTA	MANAGER	90000	PERMANENT	MCOM, 14 years' Experience	01/04/2009	45	NIL	0.00	NA
RABINDRANATH GAYEN	MANAGER	90000	PERMANENT	BE MECH/ELEC	16/12/2021	60	R. KUMAR	0.00	NA
SEJAL REBELLO	MANAGER	90000	PERMANENT	MSW, DLLP	22/11/2021	45	THE SANDESH LIMITED	0.00	NA

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

Note:

1. The details of remuneration drawn is on accrual basis.

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

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

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

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

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

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

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

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

PLACE: AHMEDABAD
DATE: 05.09.2023

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

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

ANNEXURE-D

CORPORATE GOVERNANCE REPORT

Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the financial year ended on March 31, 2023 is given below:

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Aarnav Fashions Limited we believe that company's philosophy on the code of governance reflects its underlying principles and beliefs regarding how it should operate, manage its affairs, and interact with stakeholders. This philosophy serves as a guiding framework that shapes the company's approach to corporate governance, influencing its decision-making processes and setting the tone for its organizational culture.

At the heart of a company's philosophy on the code of governance is a commitment to transparency and accountability. Companies that prioritize these values recognize the importance of open communication with stakeholders, including shareholders, employees, customers, and regulatory authorities. By embracing transparency, a company demonstrates its willingness to provide accurate and timely information about its financial performance, operations, and potential risks. This not only builds trust among stakeholders but also helps in mitigating risks and preventing potential conflicts of interest.

Furthermore, a company's philosophy on governance often emphasizes the significance of ethical behavior and integrity. Organizations that adhere to a strong ethical framework prioritize fair and responsible business practices. This not only helps in avoiding legal and reputational risks but also fosters a positive work environment and enhances the company's credibility in the eyes of investors, customers, and the wider public.

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

(2) BOARD OF DIRECTORS

The Board of Aarnav Fashions Limited boasts diversity, including seasoned individuals and experts, entrusted with managing, guiding, and evaluating the company. Acknowledging the importance of a dynamic, independent Board for robust corporate governance, Aarnav Fashions places emphasis on fiduciary duties. The Board's leadership provides strategic direction, impartial insights, and oversees the company's adherence to ethics, transparency, and disclosures. This commitment aligns with stakeholders' long-term interests and the company's sustainable growth objectives. Additionally, the Board invites special attendees when relevant. It ensures management accountability, attainment of long-term goals, and compliance with relevant regulations.

As on 31st March, 2023, the Company has Six Directors. Out of the Six Directors, 2 (two) Executive Directors and 3 (three) Non-executive Independent Directors and 1 (one) Woman Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

In adherence to Regulation 26 of the Listing Regulations, it is ensured that none of the Directors hold membership in over 10 committees, excluding those in private limited companies, foreign companies, high-value debt listed entities, and companies under Section 8 of the Act. Furthermore, they do not serve as Chairperson for more than 5 committees across all listed entities where they are Directors. These limitations encompass only the Audit Committee and Stakeholders Relationship Committee in the calculation. Directors have provided information about their directorships, committee memberships, and chairmanships, including any updates. The count of directorships and committee roles for all Directors remains within the specified limits of the Act and Listing Regulations. Detailed information regarding the Board of Directors, as of March 31, 2023, along with their committee roles and any modifications, is provided below.

During the financial year 2022-2023 the Board of Directors met Eight times i.e. May 05, 2022, May 28, 2022, July 28, 2022, August 26, 2022, November 11, 2022, November 14, 2022, November 19, 2022, February 11, 2023. The gap between two meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the

Listing Regulations and the Secretarial Standards on the Meeting of Board of Directors issued by The Institute of Company Secretaries of India. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2022-2023 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

a. COMPOSITION:

The following is the Composition of the Board as on 31st March, 2023.

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

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

During the Financial Year 2022-2023, (Eight) Board meetings were held on the following dates:

SR. NO.	DATE OF MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	05-05-2022	6	6
2	28-05-2022	6	6
3	28-07-2022	6	6
4	26-08-2022	6	6
5	09-11-2022	6	6
6	14-11-2022	6	6
7	19-11-2022	6	6
8	11-02-2023	6	6

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

SR. NO	NAME OF THE DIRECTOR	NO. OF BOARD MEETING HELD			AGM
		HELD	ELIGIBLE TO ATTEND	ATTENDED	15-12-2022
1	CHAMPALAL GOPIRAM - AGARWAL	8	8	8	P
2	SUMIT CHAMPALAL AGARWAL	8	8	8	P
3	NIDHI AGGRAWAL	8	8	8	P
4	SOURABH VIJAY PATAWARI	8	8	8	P
5	KULDEEP ASHOKBHAI SHAH	8	8	8	P
6	MADHUR MURARI TODI	8	8	8	P

P- Attended
AB- Absent

d. NAME OF OTHER LISTED ENTITIES IN WHICH THE DIRECTOR IS A DIRECTOR AND THE NUMBER OF DIRECTORSHIPS AND COMMITTEE CHAIRMANSHIPS/MEMBERSHIPS HELD BY THEM IN OTHER PUBLIC LIMITED COMPANIES AS ON 31ST MARCH, 2023 ARE GIVEN HEREIN BELOW:

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

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

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

e. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

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

f. SHARES HELD BY NON- EXECUTIVE DIRECTORS:

Details of Share held by Non-Executive Directors in the Company as on 31st March, 2023:

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

The company has not issued any convertible instruments.

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

The Board engages in regular assessments of its composition to ensure a suitable blend of skills, experience, independence, and knowledge, vital for its ongoing efficacy. A requisite criterion for Board Members involves backgrounds that, when combined, establish a diversified pool of expertise and knowledge, serving the governance and strategic needs of the Company. The Directors have exhibited experience and proficiency pertinent to the Board's supervisory role concerning business and operational matters.

As per the Listing Regulations, the Board of Directors has recognized specific skills, expertise, and competencies essential within the context of its industry and business. These attributes are deemed crucial for the Board to function optimally, considering the company's sector and requirements.

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

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

h. BOARD PROCEDURE:

The agenda is distributed well in advance among the Board members, accompanied by thorough background information concerning agenda items, facilitating well-informed decision-making.

The Company Secretary diligently monitors and oversees Board and Committee proceedings, ensuring adherence to Terms of Reference/Charters, accurate recording of decisions in minutes, and tracking actions based on those decisions. Regular updates and amendments are made to the Terms of Reference/Charters to align the Board and Committee functions and roles with evolving statutes.

The Board plays a pivotal role in shaping the Company's strategy. The Chairman & Managing Director presents a comprehensive overview of the Company's overall performance to the Board on a quarterly basis.

The Board conducts periodic reviews of the Company's strategy, annual business plan, and business performance. Additionally, it evaluates reports on legal compliance, Internal Financial Controls, Financial Reporting Systems, and Meeting Minutes.

The Board also scrutinizes declarations made by the Chairman & Managing Director concerning compliance with all applicable laws and regularly examines related compliance reports on a quarterly cadence. As per the requirements of Part A of Schedule II of the Listing Regulations, the necessary information is furnished to the Board for their consideration whenever applicable.

i. CODE OF CONDUCT:

The Company's Board of Directors has established a Code of Conduct that applies to both Board Members and Senior Management Personnel. For the fiscal year 2022-2023, both the Board Members and Senior Management personnel have affirmed their adherence to this code. The Code of Conduct in question has been made available on the Company's website, and a declaration affirming this has been included as an annex and is an integral part of this report.

Besides receiving remuneration as entitled under the Act for their roles as Non-Executive Directors and the reimbursement of expenses incurred in fulfilling their duties, none of the Non-Executive Directors maintains any significant pecuniary relationships or undertakes transactions of material consequence with the Company, its Promoters, Directors, Senior Management, or its Subsidiaries. The Senior Management of the Company has duly informed the Board that no material financial or commercial transactions exist between themselves and the Company that might lead to potential conflicts of interest on a larger scale within the Company.

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

The Code of Conduct governing the Regulation, Supervision, and Reporting of trades by Designated Individuals ("the Code") applies to Promoters and the Promoter's Group, Key Managerial Personnel, all Directors, and Designated Persons, including Connected Persons, who are likely to access unpublished price-sensitive information pertaining to the Company. Ms. Nidhi Aggrawal serves as the Compliance Officer responsible for overseeing compliance with these Regulations. Throughout the reviewed financial year, full compliance with the aforementioned code has been upheld.

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

k. INDEPENDENT DIRECTORS:

The Independent Directors of the company have been appointed in accordance with the stipulations of the Companies Act, 2013, and the Listing Regulations. The company has obtained a declaration from the Independent Directors, verifying their fulfillment of the independence criteria outlined in Section 149(6) of the Act, along with Regulation 16(1)(b) of the Listing Regulations. In adherence to Regulation 25(8) of the Listing Regulations, the Independent Directors have affirmed that they possess no knowledge of any prevailing or foreseeable circumstances that could hinder their ability to perform their duties, emphasizing their independence from the management.

Throughout the year, there have been no instances of Independent Directors stepping down before the conclusion of their tenure, thereby eliminating the necessity for any related disclosures.

l. Separate meeting of the independent directors:

During the year under review, the Independent Directors met on February 11, 2023, without the attendance of Non-independent Directors and members of the Management for:

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

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

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Further during the year no independent director has resigned before the expiry of his term.

i. Familiarization Programme for Independent Directors

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

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

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

(3) COMMITTEES OF THE BOARD:

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

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

Company has the following Committees:

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

A. AUDIT COMMITTEE

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year as on 31st March, 2023, are given below.

Meetings, Members and Attendance

The details of attendance of Members are as under:

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

During the Financial Year 2022-2023 the Committee held 6 (Six) meetings as follows:

Sr. No	Date of Meeting
1	May 05, 2022
2	May 28, 2022
3	July 28, 2022
4	November 14, 2022
5	November 19, 2022
6	February 11, 2023

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

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

The Chairman of the Audit Committee attended the AGM held on December 15, 2022 to answer the shareholders queries.

TERMS OF REFERENCE OF AUDIT COMMITTEE

The Audit Committee of the Company performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing and recommending for approval of the Board. Business plan, corporate annual budget and revised estimates.
- Recommending to the Board, the appointment, re-appointment, replacement, remuneration, terms of appointment of the statutory auditor and the fixation of the audit fee.

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

B. NOMINATION AND REMUNERATION COMMITTEE:

As on 31st March, 2023 the Nomination & Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

Meetings, Members and Attendance

During the Financial Year 2022-2023 the Committee held 2(Two) meetings

Sr. No	Date of Meeting
1	May 28, 2022
2	November 19, 2022

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Madhur Murari Todi	Non-Executive - Independent Director	Chairman	2	2
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Member	2	2
Sourabh Patawari Vijay	Non-Executive - Independent Director	Member	2	2

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

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors. Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out

either by the Board, by the Human Resources, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors.
- Recommend / review the remuneration of Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

POLICY FOR REMUNERATION TO DIRECTOR/ KEY MANAGERIAL PERSONNEL

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

Details of remuneration for the year ended on 31st March, 2023

1. Executive Director

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2023 are as under:

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

2. Non-Executive / Independent Directors:

During the year ended 31st March 2023, the Company has paid remuneration to Non-Executive Directors by way of sitting fees for attending meetings of Board.

Sr. No	Name of Director	Sitting Fees (Amt. in Rs.)
1	Madhur Murari Todi	12,000
2	Kuldeep Ashokbhai Shah	12,000
3	Sourabh Patawari Vijay	12,000

3. Performance Evaluation

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

4. Service Contract, Notice Period and Severance Fees:-

The employment of Managing Director is contractual in nature. Notice period is Nil and Severance Fees is N.A.

5. Stock Option details if any:- Nil

C. STAKEHOLDER RELATIONSHIP COMMITTEE:

Meetings, Members and Attendance

During the Financial Year 2022-2023 the Committee held 2 (Two) meetings.

Sr. No	Date of Meeting
1	May 28, 2022
2	November 19, 2022

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Sourabh Patawari Vijay	Non-Executive - Independent Director	Chairman	2	2
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Member	2	2
Madhur Murari Todi	Non-Executive - Independent Director	Member	2	2

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

TERMS OF REFERENCE OF STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

REMUNERATION OF DIRECTORS

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

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

COMPLIANCE OFFICER / COMPANY SECRETARY

MS. NIDHI AGRAWAL

Company Secretary

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

E-mail: cs@aarnavgroup.com

Complaints received and redressed by the Company during the financial year 2022-2023.

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

	SHAREHOLDERS		
0	0	0	0

D. GENERAL BODY MEETINGS:

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

FINANCIAL YEAR	PLACE OF MEETING	DATE OF MEETING	DETAILS OF SPECIAL RESOLUTION PASSED
2021-2022	Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405	15 th day of December, 2022 at 03.00 P.M.	NIL
2020-2021	Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405	30 th Day of September, 2021 at 03:00 P.M.	<ul style="list-style-type: none"> To appoint Mr. Champalal Gopiram Agarwal (DIN: 01716421) as Whole-Time Director of the company on attaining the age of 70 years
2019-2020	Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405	29 th day of December, 2020 at 01:00 P.M.	<ul style="list-style-type: none"> NIL

POSTAL BALLOT: The Company did not conduct any business through Postal Ballot during the year under review and Company has not proposed to pass any special resolution through postal ballot in the current year.

E. MEANS OF COMMUNICATION

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

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

ANNUAL REPORT: The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Report for FY 2022-2023 is being sent to all members who had registered their email-ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the "Investors" section on the Company's website www.aarnavgroup.com

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

ELECTRONIC COMMUNICATION: The Company had during FY 2022-2023 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the

Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay

F. GENERAL SHAREHOLDER INFORMATION:

A. ANNUAL GENERAL MEETING (AGM) FOR FY 2022-2023		
Date	September 30, 2023	
Time	03:00 P.M.	
Venue	Survey No. 302-305, Isanpur Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405 at 03.00 P.M.	
B. FINANCIAL CALENDAR FOR 2023-2024 (TENTATIVE)		
Financial year ending	31st March, 2024	
First Quarter Results (June, 2023)	On or before 14th August, 2023.	
Second Quarter Results (September, 2023)	On or before 14th November, 2023.	
Third Quarter Results (December, 2023)	On or before 14th February, 2024.	
Approval of Annual Account (2023-24)	On or before 30th May, 2024.	
C. LISTING ON STOCK EXCHANGE:		
	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	
D. PAYMENT OF ANNUAL LISTING FEES		
	Company has paid Annual Listing Fees for the financial year 2022-2023	
(ii) Stock Code/Scrip Code	539562	
(iii) ISIN Number	INE750R01016	
E. MARKET PRICE DATA : HIGH, LOW, DURING EACH MONTH IN LAST FINANCIAL YEAR		
The high/Low market price of the shares during 2021-2022 at the BSE were as under:		
From April 01, 2022 till March 31, 2023		
MONTH & YEAR	HIGH RS.	LOW RS.
Apr-22	69.8	56.25
May-22	62.5	43
Jun-22	51.45	42
Jul-22	50	40.1
Aug-22	66	34
Sep-22	53.4	42
Oct-22	46	35.35
Nov-22	50.9	41.1
Dec-22	50	33.7
Jan-23	46	39.95
Feb-23	43	31.65
Mar-23	35.99	25.5
The Company's equity shares are listed on the BSE Limited (BSE). The Company enjoyed a market capitalization of Rs. 90.41 crores as on March 31, 2023 and was one of the Top 2000 Listed companies by market capitalization.		
F. REGISTRAR AND TRANSFER AGENTS FOR SHARES		
	MCS SHARE TRANSFER AGENT LIMITED Address: 101, SHATDAL COMPLEX, OPP. BATA SHOW ROOM, ASHRAM ROAD, AHMEDABAD-380009 Tel. No.: (079)26580461 / 62 / 63 E-mail: mcsstaahmd@gmail.com Website: www.mcsregistrars.com	
G. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX		
	Not Applicable	

The Annual Listing Fees for the year 2023-2024 has been paid to BSE.

G. SHARE TRANSFER SYSTEM:

SEBI and Ministry of Corporate Affairs ('MCA') during FY 2018-19, have mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form, except in case of requests received for transmission or transposition and re-lodged transfer of securities. Therefore, necessary intimation was sent by the Company to the members regarding the restriction on transfer of securities in the physical form and members holding shares in physical form were requested to consider converting their shareholding to dematerialised form within the due date. Further SEBI vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialised form only while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

Now share transactions in electronic form can be affected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participants ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers.

Shareholders should communicate with the Company's Registrars and Transfer Agents ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries relating to their securities at the above-mentioned addresses or at their branch offices, addresses of which are available on their website or at the Registered Office of the Company.

H. NOMINATION

Individual shareholders holding shares in physical form either singly or jointly can nominate a person in whose name the shares shall be transferable in case of death of the registered Shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the by-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent

I. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

J. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023:

Range Start	Range End	Total shares	Percentage to capital	Total No of shareholders	% of Total Security holders
1	500	3667614	8.6831	38196	90.6795
501	1000	1653361	3.9143	2198	5.2182
1001	2000	1489919	3.5274	1045	2.4809
2001	3000	679528	1.6088	275	0.6529
3001	4000	459037	1.0868	129	0.3063
4001	5000	357140	0.8455	77	0.1828
5001	10000	864270	2.0462	124	0.2944
10001	50000	1255425	2.9722	62	0.1472
50001	100000	588883	1.3942	8	0.0190
And above		31223451	73.92	8	0.0190

K. CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2023:

SR. NO	PARTICULARS	NO OF ACCOUNTS	HOLDING	% TO CAPITAL
1	Promoter-individual	2	20975912	49.66
2	Promoter Group	9	9621043	22.78
3	Body Corporates	40	270947	0.641
4	Individuals	41846	8151340	19.297
5	HUF	188	2374632	05.622
6	NRIs WITHOUT REPATRIATION BENEFITS	13	21708	00.051
7	NRIs WITH REPATRIATION BENEFITS	23	113738	00.269
8	Unclaimed Demat Suspense Account	1	709308	1.68
TOTAL		42122	42238628	100

L. DEMATERIALISATION OF SHARES:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. **INE750R01016**. As on 31st March, 2023, 99.92% of the total shares of the Company have been dematerialized. The shareholders holding shares in physical form are requested to dematerialize their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialized form only. The shares of the Company are regularly traded at the BSE Limited.

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

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

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

O. ADDRESS FOR CORRESPONDENCE

Registered Office	1, New Cloth Market, O/s Raipur Gate, Raipur, Ahmedabad-380002
Plant Location	Survey No. 302-305, Isanpur, Narol-Vatva Road, Ahmedabad – 382405 (India).
Tel No.	079-29702983
Email	aarnavfashions@gmail.com

P. UNCLAIMED SUSPENSE ACCOUNT:

As required by Regulation 34(3) read with Para F of Schedule V of the Listing Regulations, the details of Demat Suspense Account/ Unpaid Suspense Account are disclosed here:

SR. NO.	PARTICULAR	NO. OF SHAREHOLDERS	OUTSTANDING SHARES (FACE VALUE OF `10)
1	Aggregate number of Shareholders and the Outstanding Shares in the Suspense Account lying at the beginning of the year	NIL	NIL
2	Subsequently transferred to Demat Suspense Account on 29/12/2022	9	709308
3	Total	9	709308

During the year no shareholder approached the company to transfer share from Demat Suspense Account.

Q. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY:

Credit ratings obtained by the Company during the relevant financial year, for facilities specified in the table below are as follows:-

NAME OF ENTITY	INSTRUMENT	RATING
CRISIL	Long term rating	BBB- (Stable)
CRISIL	Short term rating	A3

R. DIVIDEND HISTORY (LAST 10 YEARS)

FINANCIAL YEAR	DIVIDEND PER SHARE
2019-2020 (Final Dividend)	0.50
2020-2021 (Final Dividend)	0.50
2021-2022 (Interim Dividend)	0.50

(4) DISCLOSURES:

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

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

II. Compliance with Accounting Standards:

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

III. CEO/ CFO Certification:

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

IV. Internal Control System and their adequacy:

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

V. Related Party Transactions:

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

VI. Risk Management:

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

VII. Vigil Mechanism (Whistle Blower Policy):

The Company has a vigil mechanism called “Whistle Blower Policy” with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or

misrepresentation of any financial statement and reports etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. All employees have been provided direct access to the Audit committee. Further, the details of the policy are also posted on the website of the Company. The weblink for the same is <https://aarnavgroup.com/wp-content/uploads/2020/12/Click-here-to-download-17.pdf>.

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

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

(Amount in Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Payment to the Auditors comprise		
(a) To Statutory auditors	5.00	5.00
(b) Tax Audit Fees	1.00	1.00
Other Matter	0.11	0.48
Total	6.11	6.48

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

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

Details of Complaints under the act during the financial year 2022-2023.

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

The Company has not received any complaints on sexual harassment.

The Company has complied with all the mandatory requirements specified in regulation 17 to 27 regulation 46 of Listing Regulations. The Corporate Governance Report of the Company for the year ended 31st March, 2023 are in compliance with the requirements of Corporate Governance under Listing Regulations.

XVII. 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 not given loans to advances to any firms/companies in which directors are interested.

XVIII. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:- N.A.

XIX. CERTIFICATE ON CORPORATE GOVERNANCE

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

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

SHAREHOLDERS RIGHTS:

Extract of the Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's website www.aarnavgroup.com. The complete Annual Report is sent to each and every Shareholder of the Company whose mail id is registered with the Company.

MODIFIED OPINION IN AUDITORS REPORT

The Company's financial statement for the year ended 31st March, 2023 does not contain any modified Audit opinion.

REPORTING OF INTERNAL AUDITOR:

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

**PLACE: AHMEDABAD
DATE: 05.09.2023**

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

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
AARNAV FASHIONS LIMITED

1, New Cloth Market, O/s, Raipur Gate, Raipur,
Ahmedabad GJ 380002 IN

We have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of **AARNAV FASHIONS LIMITED** having CIN **L17100GJ1983PLC028990** and having registered office at 1, New Cloth Market, O/s, Raipur Gate, Raipur, Ahmedabad-380002, Gujarat, India (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) 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 31st March, 2023 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sumit Champalal Agarwal	00356863	08/01/2019
2	Champalal Gopiram Agarwal	01716421	08/01/2019
3	Madhur Murari Todi	02343422	16/03/2019
4	Nidhi Sanjaykumar Aggrawal	08364168	21/02/2019
5	Sourabh Vijay Patawari	08364509	21/02/2019
6.	Kuldeep Ashokbhai Shah	08365637	21/02/2019

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

Place: Ahmedabad
Date: 05th September, 2023

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587E000944000

ANNEXURE-E

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

GLOBAL ECONOMY

The past couple of years have witnessed a global economy grappling with a complex web of challenges, including the Russian incursion into Ukraine, an unparalleled surge in inflation, China's economic slowdown due to the pandemic, rising interest rates, a tightening of global liquidity, and the quantitative tightening measures taken by the US Federal Reserve. The most recent addition to this series of events is the liquidity issues stemming from a sequence of worldwide banking crises. While efforts have been made to manage the repercussions, these uncertainties persistently erode the trust of both consumers and businesses, curtailing their willingness to spend. As a result, these ongoing concerns are exerting a dampening effect on overall economic growth.

The World Bank is concerned about the ongoing global economic slowdown potentially leading to a "lost decade." Predictions point to a subdued 2.9% growth for the global economy in 2023, influenced by the prolonged Russia-Ukraine conflict and higher interest rates. Global inflation is expected to reach 6.5% this year (Source: IMF). However, positive factors include China's economic reopening post-pandemic, alleviation of the European energy crisis, and a strong US consumption outlook despite elevated inflation. Intriguingly, although the global economy is anticipated to grow under 3% for five years, India and China are poised to contribute to half of the 2023 global growth (IMF). Analysts suggest that this could signify India's decade, supported by recent data revisions showcasing better economic performance amid ongoing global uncertainties. The IMF projects India's growth at 5.9% for FY 2023–24 and an average rate of 6.1% over the next five years.

INDIAN ECONOMY

Exports (both goods and services) from India during the period of April-February in the fiscal year 2022-23 registered a notable growth of 16.18 percent compared to the corresponding period in the previous year. This expansion was observed despite a global economic slowdown, as India's domestic demand remained stable. On the other hand, imports for the same April-February period in 2022-23 showed a substantial increase of 19.93 percent when compared to the corresponding period of the prior year.

Given India's significant, youthful population with an increasing proportion belonging to the upper middle-income segment, which tends to spend actively, it is evident that relying on consumption-driven growth is a logical strategy. However, there is also a prevailing belief that over the next two years, investment will assume a critical role. It is anticipated that investments will supply the necessary impetus for India to embark on a trajectory of sustained growth driven by domestic demand, which is projected to persist for several decades.

The upcoming two-year period is deemed pivotal for the establishment of investment momentum before the economy propels into a phase of sustained and rapid growth.

Indicators of frequent occurrence, such as electricity production, GST collections facilitated by e-way bills, daily average fuel consumption, sales of two-wheelers and tractors, credit expansion across various sectors, industrial growth, hotel occupancy rates, and purchasing managers' indices (PMIs), unequivocally demonstrate that the factors propelling growth have managed to sustain a positive momentum even amid uncertainties.

India's GDP growth is anticipated to be fuelled by internal demand and increased public investment. In the fiscal year 2024, it is projected that India's retail inflation rate will decrease from 6.6 percent to 5.2 percent. This growth will be underpinned by expanded credit availability, enhanced utilization of capacity, and diminished trade deficits, leading to reductions in both headline and core inflation figures. Furthermore, there is an expectation of a recovery in private sector investments.

The positive effects of the Production-Linked Incentive Scheme (PLI) on downstream sectors have contributed to stable inflation. The nation is on the brink of making significant investments in renewable energy and other industries, positioning itself as a viable industrial alternative to China. By the end of the current decade, India is poised to surpass Germany and Japan, emerging as the world's third-largest economy.

The confluence of widespread credit expansion, improved capacity utilization, government emphasis on capital expenditure and infrastructure development, is set to reinforce investment activity. Surveys indicate that companies in the manufacturing, services, and infrastructure sectors hold optimistic views regarding their future business prospects. However, potential risks include prolonged geopolitical tensions, tightening global financial conditions, and a slowdown in external demand.

In the financial year 2022, India's nominal gross domestic product (GDP) at current prices is estimated to be around Rs. 232.15 trillion (equivalent to US\$ 3.12 trillion). Remarkably, India boasts the third-largest unicorn base globally, with over 100 unicorns collectively valued at US\$ 332.7 billion. In a noteworthy move towards sustainability, the government is actively prioritizing renewable energy sources, aiming to attain 40% of the nation's energy from non-fossil sources by the year 2030.

The McKinsey Global Institute outlines a crucial goal for India: to accelerate its employment growth and generate 90 million non-farm jobs between 2023 and 2030. This strategic approach is intended to bolster productivity and foster economic expansion. A net employment growth rate of 1.5% annually from 2023 to 2030 is essential to achieve a GDP growth rate ranging from 8% to 8.5% within the same timeframe. The first quarter of the fiscal year 2022-23 witnessed a current account deficit (CAD) equivalent to 2.1% of GDP, primarily driven by an upswing in the trade deficit.

During the pandemic, exports exhibited notable resilience, contributing to economic recovery even when other growth engines were faltering. However, going forward, the contribution of merchandise exports might face fluctuations due to economic slowdowns in several of India's trade partner countries. Mr. Piyush Goyal, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, envisions Indian exports reaching a milestone of US\$ 1 trillion by the year 2030.

LOOKING AHEAD

Continuing from the first quarter, the second quarter of the fiscal year 2022-23 demonstrated the sustained growth momentum, with high-frequency indicators (HFIs) performing well in both July and August of 2022. India's relatively robust position in the external sector reflects a positive outlook for economic growth and increasing employment rates. Among both developed and developing nations listed, India secured the fifth position in terms of foreign direct investment inflows for the initial quarter of 2022.

The economic narrative of India in the first half of the ongoing fiscal year underscored the consistent backing provided by the government to its capital expenditures. In FY 2022-23 (up to August 2022), capital expenditure saw an impressive increase of 46.8% compared to the same period in the previous year. The shift from a revenue expenditure to capital outlay ratio of 6.4 in the prior year to 4.5 in the current year indicates a clear shift towards higher-quality spending. Enhanced tax compliance, improved corporate profitability, and a growing economic activity contributed to the upward trajectory of capital expenditures.

Despite the prevailing global economic slowdown, India's exports demonstrated the second-highest growth rate in this quarter. As port congestion eased, supply networks began to recover, leading to a noticeable impact. This impact is already evident in the reduction of both CPI-C (Consumer Price Index for Industrial Workers) and WPI (Wholesale Price Index) inflation figures from April 2022. By August 2022, CPI-C inflation had declined from 7.8% in April to 7.0%, while WPI inflation dropped from 15.4% in April to 12.4%. With proactive administrative measures by the government, adaptable monetary policies, and a softening of global commodity prices and supply-chain challenges, the overall inflationary pressures in India appear to be diminishing.

GLOBAL AND INDIAN INDUSTRY OVERVIEW AND OUTLOOK

The global textile industry, valued at around USD 920 billion, is forecasted to experience a Compound Annual Growth Rate (CAGR) of approximately 4.4% throughout the projected period. This trajectory is anticipated to propel the industry's worth to nearly USD 1,230 billion by 2024, according to recent research.

Spanning from the invention of the cotton gin in the 18th century, the textile industry has undergone significant transformation. This overview delves into current worldwide textile trends while delving into industry expansion. Textiles encompass products crafted from fibers, filaments, yarns, or threads, and can serve either technical or conventional purposes based on their intended usage. Technical textiles are engineered for specific functions, such as oil filters or diapers, while conventional textiles prioritize aesthetics, though they can also be utilitarian, such as jackets and shoes.

The textile industry constitutes a vast global market with direct or indirect ramifications on every nation. For instance, cotton sellers elevated prices in the late 2000s due to crop challenges, leading to rapid sales that depleted available cotton supplies. The

resultant scarcity and price hike permeated consumer product prices containing cotton, resulting in reduced sales. This showcases how each participant within the industry can influence others, a dynamic reflected in trends and growth patterns.

From a global perspective, the textile industry remains a constantly expanding arena, featuring major competitors including China, the European Union, the United States, and India.

Since June 2022, the global textile sector has faced decreased demand due to ongoing global inflation and potential recession concerns, causing higher costs for both consumers and manufacturers across supply chains. Despite this industry slowdown, the Indian textile and apparel sector is predicted to maintain a 10% Compound Annual Growth Rate (CAGR) from 2019-20, aiming for a US\$ 190 billion valuation by 2025-26. The wider Indian textiles market is expected to exceed US\$ 209 billion by 2029.

In the fiscal year 2022-23, readymade garments (RMG) cotton exports, along with associated accessories, reached US\$ 7.68 billion by January 2023. Predictions foresee this figure surpassing US\$ 30 billion by 2027, contributing to an estimated 4.6-4.9% share in the global market. This expansion is credited to India's resilient economy, driven by domestic demand and strategic governmental policies.

In the Union Budget 2023-24, the government unveiled several initiatives to bolster the Textile and Apparel sector across its entire value chain, spanning from raw materials to manufacturing. A significant focus lies on Extra-Long Staple (ELS) cotton, approached through cluster-based and value chain strategies under public-private partnerships (PPP). This emphasis on elevating ELS cotton yield aims to enhance value-added garment production and reduce ELS cotton imports.

Additionally, five new HS codes have been identified for cotton, allowing further categorization based on staple length. This classification will facilitate tailored policy support for segments requiring incentives or dealing with import dependence.

Enhanced allocation of funds to textile-centric schemes such as RoDTEP, RoSCTL, and the Amended Technology Upgradation Fund Scheme (ATUFS) underscores the government's dedication to textiles. Schemes like the Scheme for Integrated Textile Parks (SITP) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme aim to attract private investment. The PM Mitra Park Scheme, with a budget exceeding ₹70,000 crore, envisages mega textile parks, transforming India into a global hub for man-made fibers (MMF) and technical textiles.

The government's endorsement of 100% Foreign Direct Investment (FDI) in the sector through the automatic route, coupled with export promotion policies, sets the stage for growth. The government aims for a 3-5 times increase in the export of technical textiles worth \$10 billion in the next three years.

The Production-linked Incentive (PLI) Scheme worth ₹10,683 crore (\$1.44 billion) over five years for man-made fiber and technical textiles, along with heightened government capex spending on transportation and logistics, is projected to have a positive influence on various industries, including textiles. With these policy interventions and increasing domestic demand, the textiles and apparel sector seems well-positioned for substantial growth.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The textile industry holds a prominent position within the Indian economy, serving as a significant source of foreign exchange earnings and contributing substantially to the country's economic landscape. This sector constitutes 4 percent of the gross domestic product (GDP), 20 percent of industrial output, and just over 30 percent of export revenues. Remarkably, it employs around 38 million individuals, establishing itself as the largest provider of industrial employment in India.

Distinguished by its self-sufficiency, the textile industry covers the entire spectrum from raw material production to the supply of finished goods, with substantial value added at each processing phase. This characteristic significantly bolsters the nation's economy. Our company anticipates a promising future within the trading sector in India.

Prospects for the Indian textile industry are bright, driven by robust domestic consumption and burgeoning export demand. The remarkable economic growth has translated into increased disposable income, fueling demand for products and creating a substantial domestic market.

PERFORMANCE DURING THE YEAR:

During the year under review, Company has earned total income of Rs. 39723.10 Lakh as against the total income of Rs. 42066.30 Lakh of previous year. The total income of the company was down by 5.57% over previous year. Further, Profit before Tax in the

financial year 2022-2023 stood at Rs. 94.00 Lakh as compared to Rs 1262.25 Lakh of last year and Net Profit after Tax stood at Rs. 38.14 Lakh compared to profit of Rs. 931.58 Lakhs for previous year.

STRENGTHS

Automated Processes: To accommodate its unexpected growth, the textile industry embraced the development of novel, effective, and efficient processes that could be scaled. This led to the introduction of innovative software and machinery that have significantly impacted the industry's expansion, streamlining operations and fostering growth.

Strong Industry Network: The interconnectedness and open communication among stakeholders in the textile industry have played a pivotal role in maintaining a robust industry network. In recent years, companies have supported one another, leveraging their relationships to navigate challenges such as the pandemic and collectively steer the industry back to growth.

Favorable Tax Rates: In many developing countries where the textile industry forms a substantial portion of the export economy, there is a trend of offering lower corporate tax rates to both domestic and foreign companies. Notably, leading garment exporters like Germany and Bangladesh have corporate textile tax rates hovering around 12 to 15%. This incentivizes growth and investment within the industry.

Balancing these positive aspects, it's important to acknowledge the barriers to diversification and the uneven nature of the supply market that the industry faces:

Diversification Challenges: The textile industry grapples with the challenge of implementing sudden changes to established systems, whether related to machinery or management. The reluctance or difficulty in changing established processes can result in significant time and cost implications, making adaptability a crucial but complex endeavor.

Uneven Supply Market: The industry's supply market is characterized by a concentration of specific buyers, primarily situated in particular regions or continents. This lopsided distribution is evident in the EU and USA, which are the largest importers, accounting for a substantial share of the industry's total import value, amounting to \$119 billion in 2022. This imbalance can lead to challenges in maintaining a steady and balanced supply chain.

Overall, the textile industry has embraced automation, leveraged strong networks, and benefited from favorable tax structures. These strengths have contributed to the industry's growth. However, it also faces barriers related to inflexibility in diversification and the challenges posed by an uneven supply market. Addressing these challenges requires a holistic approach that balances strengths and tackles weaknesses.

WEAKNESS

Diversification Challenges: The textile industry grapples with a notable weakness - the difficulty of implementing sudden changes once systems or machinery are already in place. This inertia towards change can lead to prolonged timelines and increased costs if modifications are required. This lack of agility can hinder the industry's ability to adapt swiftly to emerging trends or shifts in consumer preferences.

Uneven Supply Market: The textile market exhibits an uneven distribution of buyers, with a significant concentration of specific companies predominantly located in certain regions or continents. Notably, the EU and USA emerge as the two major importers within the industry. The total import value of \$119 billion in 2022 underscores the unequal distribution of market demand, posing challenges for suppliers to maintain a balanced supply across diverse regions.

Escalating Material Costs: Amidst various price fluctuations, the textile industry contends with continuous increases in the costs of primary materials. Notably, some sectors experienced staggering price increases of up to sixty percent in 2022 alone. With rising oil prices anticipated to exert further pressure, the industry's reliance on these materials implies a potential for elevated product costs.

Inaccurate Forecasting: The textile industry faces a recurring challenge in effectively forecasting demand and supply dynamics. Variability stemming from market demand, external factors like pandemics or weather events, and other uncertainties make accurate forecasting a daunting task. This inaccuracy hampers the industry's ability to align production with actual market requirements.

In conclusion, the textile industry grapples with barriers such as a resistance to sudden changes, an uneven distribution of buyers, rising material costs, and challenges in accurate demand-supply forecasting. Overcoming these obstacles necessitates a combination of strategic planning, adaptability, and a proactive approach to addressing supply chain and market fluctuations.

OPPORTUNITIES

Enhancing Employee Efficiency: It is widely recognized that the workforce in the Ready-Made Garments (RMG) sector largely comprises unskilled labor, leading to challenges in overall effectiveness and efficiency. To address this, collaboration between industry leaders and governments can pave the way for improved training programs. These initiatives will yield dividends in the form of enhanced work effectiveness and efficiency, as workers become more skilled and knowledgeable in their tasks.

Promoting Transparent Costing: The growing textile industry faces complexities related to supply-demand dynamics, often exacerbated by issues such as ambiguous costing structures. Introducing concepts like "open costing facility" can establish a more transparent and collaborative relationship between stakeholders, spanning suppliers and buyers. This approach minimizes miscommunication and fosters greater efficiency throughout the value chain.

Embracing Technological Advancements: The global shift towards technology and innovation has also reached the textile industry. However, challenges around compatibility and the time-consuming process of technology implementation have been prevalent. These issues can be tackled through the integration of modern and advanced technological solutions into the textile sector. Such innovations can streamline processes, making them more efficient and adaptable to changing demands.

Incorporating these strategies—boosting employee skills, promoting transparency in costing, and embracing technology—can significantly enhance the efficiency and effectiveness of the textile industry. By investing in human capital, facilitating clear communication, and leveraging technological advancements, the industry can position itself for sustainable growth and competitiveness in an evolving global landscape.

THREAT

Rising Production Costs: The year 2022 witnessed a pervasive increase in costs across all sectors, with the textile industry bearing a substantial brunt of this escalation. Raw material prices, a critical component of textile manufacturing, surged by as much as 40% in certain cases within India and other primary textile exporting nations. Consequently, this surge in raw material costs led to a broader uptick in overall textile prices, affecting the industry's economics.

Higher Delivery Expenses: Over the past few years, there has been a continuous surge in oil and fuel prices, with a sharp spike following the Russia-Ukraine conflict. This surge has reverberated through the entire delivery process, causing notable increases in freight costs and various other expenses tied to transportation. This inflation of delivery-related costs has had a pronounced impact on both buyers and sellers, ultimately driving up the final product prices.

Weather-Related Challenges: Weather remains a significant factor in the textile industry, impacting not only the manufacturing processes but also the journey of products to end buyers. Adverse weather conditions can compromise product quality, leading to potential delays in shipments due to factors like inclement weather. These weather-induced disruptions can create challenges for the industry's operations and supply chains.

Recession Effects: Reflecting on the 2008 recession, it is evident that such economic downturns can have far-reaching consequences for the global textile landscape. The industry experienced decreased production, reduced consumption, layoffs, and even business closures. Considering the possibility of a 2023 recession, the textile industry could once again face challenges, including diminished sales, disruptions in supply chains, and broader economic instability.

Collectively, these factors - rising production costs, higher delivery expenses, weather-related issues, and the potential for recession - underscore the intricacies and challenges that the textile industry must navigate in its pursuit of sustained growth and stability. Effective strategies for cost management, resilience planning, and adaptability will be key for the industry to weather these challenges and emerge stronger.

RISKS AND CONCERNS

The Company has successfully devised and put into operation an all-encompassing system for risk management. This system is specifically designed to not only recognize and handle the risks linked with its operational undertakings but also to play a pivotal role in the decision-making procedures that steer the Company towards accomplishing its objectives. By curbing potential losses,

refining the management of uncertainties, and optimizing opportunities, this framework aims to facilitate the Company's goal attainment. Its core purpose is to foresee, assess, and alleviate risks that possess the potential to significantly affect the Company's business objectives.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

PARTICULARS	2021-2022	2020-2021
Revenue from Operations	39691.27	42056.83
Other Income	31.83	9.47
Total Income	39723.10	42066.30
Profit/(Loss) before Finance Cost, Depreciation & Tax	2001.16	3197.14
Less: Depreciation /Amortization/Impairment	762.95	742.36
Less: Finance Costs	1143.81	1192.53
Profit/(Loss) Exceptional items and Tax Expense	94.40	1262.25
Profit/(Loss) before Tax	94.40	1262.25
Provision for Taxation - Current Tax	25.00	315.00
Deferred Tax	0.77	0.77
Excess provision for Tax expense for earlier years	30.49	14.89
Profit for the year	38.14	931.58
Total Comprehensive Income/Loss (2)	37.98	946.72

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

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

During the year under review, Company has earned total income of Rs. 39723.10 Lakh as against the total income of Rs. 42066.30 Lakh of previous year. The total income of the company was down by 5.57% over previous year. Further, Profit before Tax in the financial year 2022-2023 stood at Rs. 94.00 Lakh as compared to Rs 1262.25 Lakh of last year and Net Profit after Tax stood at Rs. 38.14 Lakh compared to profit of Rs. 931.58 Lakhs for previous year.

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

The Company holds the view that Culture and Employee Experience stand as the sole distinguishing factors in the present landscape of intense competition. The Company is actively striving to establish a workspace that fosters a sense of value, support, and empowerment for all individuals to unleash their utmost potential. A primary concentration lies in nurturing internal talent, and a significant number of our business leaders have risen from within the organization, contributing

significantly to our achievements. Notably, a considerable effort is directed toward promoting diversity and inclusion, exemplified by our heightened focus on recruiting women.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONGWITH EXPLANATION

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

DISCLOSURES RELATING TO VARIOUS RATIOS

SR. NO	RATIO	31ST MARCH, 2023	31ST MARCH, 2022	% VARIANCE	REASON FOR VARIANCE
1	Current ratio	1.467	1.507	-2.77%	Not a Material Variation
2	Debt-Equity ratio	1.274	1.659	-23.17%	Due to Reduction of Current/Non-current Liability
3	Debt- service coverage ratio	1.018	1.592	-36.07%	Due to Decrease in EBDIT
4	Return on equity ratio	0.221	5.386	-95.90%	Due to Decrease in Profit
5	Inventory turnover ratio	2.331	2.924	-20.26%	Due to Decrease in Sales
6	Trade receivable turnover ratio	2.688	2.347	14.54%	Due to Reduction of Average Receivables
7	Trade payables turnover ratio	3.316	3.648	-9.11%	Due to Reduction of Average Payables
8	Net capital turnover ratio	4.578	3.707	23.53%	Due to Reduction in Net Working Capital
9	Net profit ratio	4.578	3.707	23.53%	Due to Decrease in Profit
10	Return on capital employed	0.096	2.227	-2216.42%	Due to Decrease in EBDIT
11	Return on investment	7.175	14.193	-49.45%	Due to Nil income in Preceding year
12	Interest coverage ratio	1.921	2.857	-32.76%	Due to Decrease in EBDIT

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.:-

The Return on Net Worth (RoNW) has experienced a decline compared to the immediately preceding financial year, primarily attributed to a substantial decrease in Earnings Before Depreciation, Interest, and Taxes (EBDIT)

CAUTIONARY STATEMENT

This section's content encompasses the Company's objectives, projections, expectations, and estimations, potentially qualifying as 'forward-looking statements' as defined by relevant securities laws and regulations. These forward-looking statements hinge on specific assumptions and anticipations of forthcoming events. However, the Company cannot assure the precision or realization of these assumptions and expectations. Real-world outcomes may substantially differ from the expressions or implications in the statements due to external factors beyond the Company's control. The Company disclaims any obligation to publicly adjust, modify, or revise forward-looking statements based on subsequent developments.

CODE OF CONDUCT DECLARATION

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

PLACE: AHMEDABAD
DATE: 05.09.2023

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

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

ANNEXURE-F

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

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

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2023 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- a. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- b. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- c. We have indicated to the Auditors and the Audit Committee:
 - i. that there are no significant changes in internal control during the year;
 - ii. that there are no significant changes in accounting policies during the year other than those which have been disclosed in the notes to the financial statements; and
- ii. that there are no instances of significant fraud of which we became aware or the involvement therein, of any member of management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR, AARNAV FASHIONS LIMITED

FOR, AARNAV FASHIONS LIMITED

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR

MR. RADHAKISHAN LEKHARAM SHARMA
CFO

ANNEXURE-G

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
AARNAV FASHIONS LIMITED

We have examined the Compliance Conditions of Corporate Governance by **AARNAV FASHIONS LIMITED** for the year ended on 31st March, 2023 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2022 to 31st March, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the 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, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

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.

Date: 05th September, 2023
Place: Ahmedabad

Ravi Kapoor & Associates

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
COP No.: 2407
UDIN: F002587E000943956

INDEPENDENT AUDITORS' REPORT

To the Members of
M/s. AARNAV FASHIONS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s. AARNAV FASHIONS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its profit & total Comprehensive Income, Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note No. 42 to the Statements in respect of the Scheme of Arrangement providing amalgamation of Gopi Synthetics Private Limited (Transferor Company-1), Aarnav Synthetics Private Limited (Transferor Company-2), Aarnav Textile Mills Private Limited (Transferor Company-3), Symbolic Finance and Investment Private Limited (Transferor Company-4) and Ankush Motor and General Finance Company Private Limited (Transferor Company-5) with Aarnav Fashions Limited (Transferee Company) and their respective shareholders and creditors ("the Scheme"), as approved by NCLT, Ahmedabad bench on 10.08.2022, in terms of the provisions of sections 230 to 232 read with sections 66 and other applicable provisions of the Companies Act, 2013,. The appointed date for the amalgamation is October 1, 2020. However, the accounting treatment pursuant to the Scheme has been given effect from the date required under Ind AS-103 – Business Combinations. Accordingly, all the effects of such Scheme have been given in the standalone financial statement of current as well as preceding financial year both.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and the entity, there are no key audit matters to be communicated in our audit.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and the cash flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure - C**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations for which provision have not been made which would impact its financial position.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or

otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The dividend declared and paid during the year by the company is in compliance with the provision of section 123 of the Companies Act, 2013.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

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

**Place : Ahmedabad
Date : 30/05/2023
UDIN – 23116735BGVVQH2417**

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

Annexure “A” to the Independent Auditor’s Report

Responsibilities for Audit of Standalone Financial Statement

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

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

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

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

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

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

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

**Place : Ahmedabad
Date : 30/05/2023
UDIN – 23116735BGVVQH2417**

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

Annexure “B” to the Independent Auditor’s Report

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March 2023, we report that;

- (i) In respect of Fixed Assets:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As per the information and explanations given to us, assets have been physically verified by the management during the year as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our examination of documents regarding Immovable Property We report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. (Please refer Note No. 42 on “Amalgamation”)
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of use assets) or intangible assets does not arise.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of my commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise
- (ii) In respect of Inventory:
- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our Opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013:
- (1) As per the information furnished, the company has made investment in other concerns however the company has not granted any loans or advances, secured or unsecured or provided any guarantee or securities, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii)(a), (c) to (f) of the order are not applicable to the company.

(2) The Investments made are not prejudicial to the Company's Interest.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- vi) The central government has prescribed maintenance of cost records under section 48(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2020-21 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, details of statutory dues that have not been deposited on account of disputes are as under:-

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

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account
- (ix)
 - a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
 - b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
 - c) According to the information and explanations given to us, term loans are applied for the purpose for which the loans are obtained.
 - d) According to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.

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

- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which comes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and We neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

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

**Place : Ahmedabad
Date : 30/05/2023
UDIN – 23116735BGVVQH2417**

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

Annexure “C” to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **M/s. AARNAV FASHIONS LIMITED** (“the Company”), as of 31ST March, 2023, in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

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

**Place : Ahmedabad
Date : 30/05/2023
UDIN – 23116735BGVVQH2417**

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

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amt Rs. in Lakh)

PARTICULARS	NOTES	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Assets			
Non-Current assets			
a)Property, Plant and Equipment	1	12388.95	12841.23
d)Goodwill		495.79	495.79
b) Other Intangible Assets	2	557.74	532.40
c)Financial Assets			
i.Investments	3	00.03	00.03
ii. Other financial assets		-	-
d)Other Non-Current Assets	4	1200.00	1200.00
Total non current assets		14642.50	15069.44
Current assets			
a) Inventories	5	11590.71	12712.54
b) Financial Assets			
(i) Investments	3	1190.09	1190.26
(i) Trade Receivables	6	12329.13	17190.08
(ii) Cash and Cash Equivalents	7		
Cash and Cash Equivalents		33.41	199.02
Bank balance other than cash and cash equivalents		447.94	423.32
(iv) Loans	8	37.66	273.29
(vi) Other Financial Assets	9	12.21	11.72
c)Current Tax Assets	10	167.91	-
d)Other Current Assets (to be specified)	11	1415.88	1527.10
Total current assets		27224.95	33527.32
Total Assets		41867.45	48596.76
Equity and Liabilities			
Equity			
a)Equity Share Capital	12	4223.86	4223.86
b)Other Equity	13	13034.32	13071.37
Total Equity		17258.18	17295.23
Non-Current Liabilities			
a)Financial Liabilities			
(i) Borrowings	14	3432.83	6445.62
(ii) Other Financial Liabilities (to be specified)	15	01.15	00.32
b) Deferred Tax Liabilities (net)	16	2615.40	2614.62
Total non current liabilities		6049.37	9060.57
Current Liabilities			
a)Financial Liabilities			
(i) Borrowings	14	9292.37	8838.44
(ii) Trade and Other Payables	17		
a) total outstanding due to MSME		-	-
a) total outstanding due to other than MSME		5613.82	8632.82
(iii) Other Financial Liabilities		-	-
b) Other current liabilities	18	3653.72	4660.75
c) Provisions		-	-
d)Current Tax Liabilities	10	-	108.95
Total Current Liabilities		18559.91	22240.96

Total Liabilities		24609.27	31301.53
Total Equity And Liabilities		41867.45	48596.76
Significant Accounting Policies	A & B		

See accompanying notes to the Financial Statements 1 to 44

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

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

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

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

NIDHI AGRAWAL
DIN: 08364168
COMPANY SECRETARY & COMPLIANCE OFFICER

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

PLACE : AHMEDABAD
DATE : 30-05-2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

PARTICULARS	NOTES	Rs. In lacs	
		FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022
Income			
Revenue from Operations	19	39691.27	41913.46
Other Income	20	31.83	09.47
Total Income		39723.10	41922.93
Expenses			
Purchases of Stock in Trade		605.47	4423.13
Cost of Material Consumed	21	26650.15	29386.52
Changes in inventory of finished goods, stock in trade and WIP	22	1073.97	-2706.73
Employee Benefit Expenses	23	720.52	628.00
Finance Costs	24	1143.81	1192.53
Depreciation and Amortization Expense	1 & 2	762.95	742.36
Other Expenses	25	8671.83	6994.89
Total Expense		39628.70	40660.69
Profit(Loss) before exceptional items and tax		94.40	1262.25
Exceptional items			
Profit(Loss) Before Tax		94.40	1262.25
Tax Expense:			
Current Tax		25.00	315.00
Tax charge relating to earlier periods		30.49	14.89
Deferred Tax	26	00.77	00.77
Total Tax Expenses		56.26	330.67
Profit/(Loss) for the period from continuing operations	(A)	38.14	931.58
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(loss) from discontinued operations (after tax)			
Profit or loss for the period			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		-	-
(b) Equity instruments through other Comprehensive Income		-00.22	19.73
Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		-	-
(b) Equity instruments through other Comprehensive Income		00.06	-04.60
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
	(B)	-00.16	15.14
Total Comprehensive (Loss) for the year	(A)+(B)	37.97	946.72
Earnings/(Loss) per Share - (Face value of Rs. 10 each) Basic and Diluted (in Rs.)	27	0.09	2.21
Significant Accounting Policies	A & B		

See accompanying notes to the Financial Statements 1 to 44

As per our report of even date
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PLACE : AHMEDABAD
DATE : 30-05-2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. In lacs

PARTICULARS		YEAR ENDED AS AT MARCH 31, 2023	YEAR ENDED AS AT MARCH 31, 2022
A	NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	94.40	1262.25
	ADJUSTMENT FOR:		
	Depreciation & Amortisation Exp	762.95	742.36
	Finance Expenses	1143.80	1192.53
	Change in the value of Equity Instruments	(0.16)	15.14
	Dividend Income	(6.87)	-
	(Profit)/Loss on sale of Investments/Assets	8.08	(0.03)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2002.20	3212.25
	Increase/ (Decrease) Short Term Borrowings	453.93	938.81
	Increase/ (Decrease) Trade Payable	(3019.00)	(161.09)
	Increase/ (Decrease) Other Current Liabilities	(1007.03)	613.77
	Increase/ (Decrease) Provision	(108.95)	24.56
	(Increase) / Decrease Loans & Advances	42.60	(39.66)
	(Increase) / Decrease Trade Receivables	4860.95	1271.01
	(Increase) / Decrease Inventory	1121.83	(4149.53)
	(Increase) / Decrease Other Current Asset	111.21	149.16
	CASH IN FLOW FROM OPERATIONS	4457.74	1859.28
	DIRECT TAX PAID	(56.26)	(330.67)
	EXTRA ORDINARY ITEMS (PRIOR PERIOD ADJUSTMENT)		
	NET CASH IN FLOW FROM OPERATING ACTIVITIES	4401.48	1528.61
B	CASH OUT FLOW FROM INVESTING ACTIVITIES		
	Investment in / Proceeds from Bank deposits, etc	-	-
	(Purchase) / Sale of Investments	0.16	(15.14)
	Dividend Income	6.87	-
	(Purchase) / Sale of Assets	(318.75)	(12.88)
	(Addition) / Deduction of Intangible Assets/Right to use Asset	(25.34)	(23.47)
	NET CASH OUT FLOW FROM INVESTING ACTIVITIES	(337.06)	(51.49)
C	CASH IN FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Issue of Shares including Premium (Net)		
	(Repayment) / Addition in Borrowings	(3012.80)	37.49
	(Repayment) / Addition in Other Fin. Liab.	0.82	-
	Change in Deferred Tax Liabilities	0.78	0.77
	Old I. Tax Demand paid under VSV Scheme	-	(89.62)
	Finance Expenses	(1143.80)	(1192.53)
	Dividend Paid	(75.02)	(75.02)
	NET CASH IN FLOW FROM FINANCING ACTIVITIES	(4230.02)	(1318.91)
	NET INCREASE IN CASH AND CASH EQUIVALENT	(165.60)	158.21
	NET CASH AND CASH EQUIVALENT (OPENING CASH BALANCE)	199.01	40.80
	NET CASH AND CASH EQUIVALENT (CLOSING CASH BALANCE)	33.41	199.01
	Component of Cash and Cash Equivalents	as at March 31, 2023	as at March 31, 2022
	Cash on hand	25.95	29.40
	Balances with Scheduled Bank		
	- On Current Accounts	7.46	169.61

	- Deposits with original maturity of less than three months	447.94	423.32
	Cash and Cash Equivalents at the end of the year / period	481.36	622.34
	Margin money deposits (restricted Cash)		
Notes:			
1	The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".		
2	Direct Taxes Paid are treated as arising from Operating Activities without their bifurcation into Investing and Financing Activities.		

As per our report of even date
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CHARTERED ACCOUNTANTS
FIRM REGN. NO. 106801W

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RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

PLACE : AHMEDABAD
DATE : 30-05-2023

Statement of Changes in Equity for the year ended March 31, 2023
Rs. In Lacs

Particulars	Reserves and Surplus			Equity instrument through OCI	Employee Benefit through OCI	Total
	Capital Reserve	Security Premium	Retained Earnings			
Balance as at 01/04/2022	-	11562.96	1492.32	16.09	-	13071.37
Changes in accounting policy or prior period error	-	-	-	-	-	-
Profit(Loss) for the period	-	-	38.14	-00.16	-	37.97
Dividend paid during the year	-	-	-75.03	-	-	-75.03
I.Tax paid on VSV Scheme(AY13-14)	-	-	-	-	-	-
Total Comprehensive (Loss) for the year	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-
Balane as at 31/03/2023	-	11562.96	1455.43	15.93	-	13034.32

Statement of Changes in Equity for the year ended March 31, 2022
Rs. In Lacs

Particulars	Reserves and Surplus			Equity instrument through OCI	Employee Benefit through OCI	Total
	Capital Reserve	Security Premium	Retained Earnings			
Balance as at 01/04/2021	-	11562.96	725.38	00.96	-	12289.30
Changes in accounting policy or prior period error	-	-	-	-	-	-
Profit(Loss) for the period	-	-	931.58	15.14	-	946.72
Dividend paid during the year	-	-	-75.03	-	-	-75.03
I.Tax paid on VSV Scheme(AY13-14)	-	-	-89.62	-	-	-89.62
Total Comprehensive (Loss) for the year	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-
Balane as at 31/03/2022	-	11562.96	1492.32	16.09	-	13071.37
Significant Accounting Policies	A & B					

See accompanying notes to the Financial Statements 1 to 44

As per our report of even date
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RADHAKISHAN SHARMA
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PLACE: AHMEDABAD
 DATE: 30-05-2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

(A) CORPORATE INFORMATION:

- AARNAV FASHIONS LIMITED (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange of India. The registered office of the Company is located at Shop No. 1, New Cloth Market, O/s Raipur gate, Ahmedabad-380002. The Company is mainly engaged in the business of Textiles.
- Pursuant to the amalgamation, as stated hereunder, now, the Company has its corporate office and Factory premises situated at Survey No. 302-305, Isanpur, Vatva Road, Ahmedabad – 382405.
- It is stated that, in terms of Clause 13 of the Scheme of Arrangement providing amalgamation of Gopi Synthetics Private Limited ("GSPL"), Aarnav Synthetics Private Limited ("ASPL"), Aarnav Textile Mills Private Limited ("ATMPL"), Symbolic Finance and Investment Private Limited ("SFIPL") and Ankush Motor and General Finance Company Private Limited ("AMFGCPL") with Aarnav Fashions Limited ("AFL") and their respective shareholders and creditors ("Scheme of Arrangement") has been approved in terms of the provisions of sections 230 to 232 read with sections 66 and other applicable provisions of the Companies Act, 2013, by NCLT, Ahmedabad bench on 10.08.2022. The appointed date for the amalgamation is October 1, 2020.
- The order of Hon'ble NCLT, Ahmedabad bench (No.C.P. (CAA)/6(AHM)2022 in C.A.(CAA)/67(AHM)2021 has been approved on 10.08.2022 and the certified copy of the order has been received on 05.09.2022. The order was filed with the Registrar of Companies, Gujarat. Pursuant to the Scheme, the Company has once again prepared the merged results for F.Y. 2021-2022 for giving the effect of merger from date 01.10.2020. This financial statement (after giving the merger effects) is approved for issue by the Audit Committee as at its meeting and by the Board of Directors on 14th Nov, 2022.
- It is further stated that the said order has also been approved and taken on records by Ministry of Corporate Affairs on 31st October, 2022, and by virtue of this order, all the assets and liabilities of Transferor Companies have been amalgamated with Transferee Company.
- Pursuant to the Scheme, the Company has allotted 2,72,33,628 equity shares of face value of Rs.10.00 each, fully paid-up as per the share exchange ratio specified in the Scheme to the specified shareholders of the Transferor Companies as on November 5, 2022 ("Record Date").
- Further, this financial statement has been prepared by giving the effect of such amalgamation. Thus, the Assets and liabilities taken over from Transferor Companies have been depicted under this financial statement as the assets and liabilities of our company. Also the equity shares have also been deemed to have been issued to the shareholders of transferor companies against the purchase consideration and the effect such issuance of New Equity shares has also been given in the paid up share capital and share premium under the head "Equity" in this financial statement.
- Company has no holding, Subsidiary Company.

B. Significant Accounting policies

I. Statement of compliance:

These Financial Statements have been prepared in accordance with Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules as amended from time to time. The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company’s presentation and functional currency is Indian Rupees and all values are rounded to the Lakhs.

II. Basis of preparation and presentation:

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

An asset is classified as current when it is

- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- Held primarily for the purpose of trading;

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The Operating Cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-current classification of assets and liabilities.

- Deferred tax assets and liabilities are classified as non-current only
- The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR in Lacs and has been rounded off to the two decimals, unless otherwise stated

III. Use of estimates & Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies

IV. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded to the nearest lakhs, except as stated otherwise.

V. Significant accounting policies

A. Revenue recognition

Revenue from contract with customers Revenue from contracts with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

1. Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

2. Sale of goods – non-cash incentive schemes (deferred revenue)

The company operates a non-cash incentive scheme program where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue related to the non-cash schemes is deferred and recognized when the targets are achieved. The amount of revenue is based on the realization of the sales targets to the period of scheme defined.

3. Interest income

For all financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

4. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

B. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

C. Export Benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustments in raw material consumption.

D. Taxes

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Deferred tax

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

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

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

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

Deferred tax relating to items recognized outside profit or loss is (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized an asset in accordance with recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to an extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

E. Leases

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1) Right-of-use assets

- The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold buildings 8 to 10 years
- Leasehold Land 75 to 80 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

2) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

3) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value

assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

F. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

No benefits has been provided by the Company under the defined benefits plan. Thus no re measurement comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur

No net defined benefit obligation as an expense has been recognized in the statement of profit and loss:

1. Long-term employee benefits

Post-employment and other employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

2. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

G. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognized as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Buildings	30 to 60 years
Plant and machinery	10 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013 based on Written Down Method.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

H. 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 measure 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.

There are no Investment Properties in name of Company.

I. Intangibles

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition,

intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

J. Inventories

Inventories are valued at the lower of cost and net realizable value.

1. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
2. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on lower of cost or net realizable value. Cost is determined on first in, first out basis
3. Stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognized as a part of inventories. Cost is determined on first in, first out basis
4. Fuel: cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

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

K. Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

There are no Investment in Subsidiaries, Joint Ventures and Associates as defined as per INDAS 27.

Financial Instruments

- **Financial assets**

- i. **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 profit or loss.

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

- ii. **Subsequent measurement**

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

- a. Debt instruments at amortized cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Financial assets at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- iii. **Debt instruments at amortized cost**

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

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

v. Financial instrument at FVTPL

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

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or

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

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

viii. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

ix. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables
ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

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

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

- **Financial liabilities**

- i. Initial recognition and measurement**

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

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

- ii. Subsequent measurement**

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

- a. Financial liabilities at fair value through profit or loss
- b. Loans and borrowings
- c. Financial guarantee contracts

- iii. Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

- iv. Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. 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 as finance costs in the statement of profit and loss.

v. De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

- **Off-setting of financial instruments**

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

L. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

- i. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii. In case of cash-generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the 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 assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

M. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

N. Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The Company is primarily engaged in the business of manufacturing, distribution and marketing of textile product. These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

O. Provisions, Contingent liabilities, Contingent assets and Commitments

General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

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

P. Dividend

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The interim dividends declared during the year are approved by the Board of Directors.

However no dividend has been paid by Company during the year.

Q. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

R. Use of estimates and judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Current tax
- Fair valuation of unlisted securities

S. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the company are segregated.

T. Current and non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

U. Foreign currency translation

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the

gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

V. Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

The company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

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

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

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

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

- i. Disclosures for valuation methods, significant estimates and assumptions.
- ii. Quantitative disclosures of fair value measurement hierarchy.
- iii. Investment in unquoted equity shares (discontinued operations).
- iv. Financial instruments (including those carried at amortized cost).

W. Earnings Per Share

Basic earnings per share is computed and disclosed by dividing the net profit after tax by using the weighted average number of common shares outstanding during the year. Dilutive earning per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

X. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

Y. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

Recent accounting pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in

paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Group does not expect this amendment to have any significant impact in its financial statements.

• **Other Statutory Information:**

1. **Details of Benami Property:** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. **Details of Charges:** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
3. **Details of crypto currency or virtual currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
4. **Utilization of borrowed funds and share premium:**

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5. **Undisclosed income:** The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. **Willful Defaulter:** The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
7. **Compliance with number of layers of companies:** As the company has no holding or subsidiary company, requirement with respect to number of layers prescribed under clause 87 of sub section 2 of the Companies Act, 2013 read with companies (restriction on number of layers) rules, 2017 is not applicable.
8. **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
9. **Compliance with approved scheme(s) of arrangements:** The Company has entered into any scheme of arrangement the details of which is reproduced as under:

- a. It is stated that, in terms of Clause 13 of the Scheme of Arrangement providing amalgamation of Gopi Synthetics Private Limited ("GSPL"), Aarnav Synthetics Private Limited ("ASPL"), Aarnav Textile Mills Private Limited ("ATMPL"), Symbolic Finance and Investment Private Limited ("SFIPL") and Ankush Motor and General Finance Company Private Limited ("AMFGCPL") with Aarnav Fashions Limited ("AFL") and their respective shareholders and creditors ("Scheme of Arrangement") has been approved in terms of the provisions of sections 230 to 232 read with sections 66 and other applicable provisions of the Companies Act, 2013, by NCLT, Ahmedabad bench on 10.08.2022. The appointed date for the amalgamation is October 1, 2020.
- b. The order of Hon'ble NCLT, Ahmedabad bench (No.C.P. (CAA)/6(AHM)2022 in C.A.(CAA)/67(AHM)2021 has been approved on 10.08.2022 and the certified copy of the order has been received on 05.09.2022. The order was filed with the Registrar of Companies, Gujarat. Pursuant to the Scheme, the Company has once again prepared the merged results for F.Y. 2021-2022 for giving the effect of merger from date 01.10.2020. This financial statement (after giving the merger effects) is approved for issue by the Audit Committee as at its meeting and by the Board of Directors on 14th Nov, 2022.
- c. It is further stated that the said order has also been approved and taken on records by Ministry of Corporate Affairs on 31st October, 2022, and by virtue of this order, all the assets and liabilities of Transferor Companies have been amalgamated with Transferee Company.
- d. Pursuant to the Scheme, the Company has allotted 2,72,33,628 equity shares of face value of Rs.10.00 each, fully paid-up as per the share exchange ratio specified in the Scheme to the specified shareholders of the Transferor Companies as on November 5, 2022 ("Record Date").
- e. Further, this financial statement has been prepared by giving the effect of such amalgamation. Thus, the Assets and liabilities taken over from Transferor Companies have been depicted under this financial statement as the assets and liabilities of our company. Also the equity shares have also been deemed to have been issued to the shareholders of transferor companies against the purchase consideration and the effect such issuance of New Equity shares has also been given in the paid up share capital and share premium under the head "Equity" in this financial statement.

10. The Company has no Transaction with any company struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

1. Property, Plant and Equipment

For the year ended March 31, 2023										Rs. in Lacs
Description of Assets	Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Office Equipment	Vehicles	Computer	Effluent Treatment Plant	Total
I. Cost										
Balance as at 1st April, 2022	5949.12	2106.51	9364.98	76.56	225.32	67.24	309.98	34.54	427.48	18561.73
Additions during the year	-	-	68.52	-	-	03.64	274.00	01.59	-	347.75
Disposals during the year	-	-	-	-	-	-	-124.23	-	-	-124.23
Balance as at March 31, 2023	5949.12	2106.51	9433.50	76.56	225.32	70.88	459.75	36.13	427.48	18785.25
II. Accumulated depreciation										
Balance as at 1st April, 2022	-	493.19	4346.48	67.27	149.47	55.96	269.83	33.26	305.04	5720.50
Depreciation expense for the year	-	70.22	593.53	04.58	20.85	13.09	33.13	00.50	27.06	762.95
Disposals during the year	-	-	-	-	-	-	-87.14	-	-	-87.14
Balance as at March 31, 2023	-	563.41	4940.00	71.84	170.32	69.06	215.82	33.76	332.10	6396.30
III. Net Block										
As at March 31, 2023	5949.12	1543.11	4493.50	04.71	55.01	01.83	243.93	02.36	95.38	12388.95

For the year ended March 31, 2022

Description of Assets	Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Office Equipment	Vehicles	Computer	Effluent Treatment Plant	Total
I. Cost										
Balance as at 1st April, 2021	5949.12	2106.51	9354.98	76.56	225.32	66.68	309.67	32.95	427.48	18549.27
Additions during the year	-	-	10.00	-	-	00.56	00.89	01.59	-	13.04
Disposals during the year	-	-	-	-	-	-	-00.58	-	-	-00.58
Balance as at March 31, 2022	5949.12	2106.51	9364.98	76.56	225.32	67.24	309.98	34.54	427.48	18561.73
II. Accumulated depreciation										
Balance as at 1st April, 2021	-	422.97	3753.67	62.69	135.58	51.71	241.04	32.95	277.98	4978.59
Depreciation expense for the year	-	70.22	592.80	04.58	13.89	04.26	29.24	00.31	27.06	742.36
Disposals during the year	-	-	-	-	-	-	-00.46	-	-	-00.46
Balance as at March 31, 2022	-	493.19	4346.48	67.27	149.47	55.96	269.83	33.26	305.04	5720.50
III. Net Block										
As at March 31, 2022	5949.12	1613.32	5018.50	09.29	75.85	11.28	40.15	01.28	122.44	12841.23

2. Other Intangible Assets

For the year ended March 31, 2023			Rs. in Lacs
Description of Assets	Right To Use Mega Pipe Line	Right to use CETP Plant	Total
I. Cost			
Balance as at 1st April, 2022	24.15	508.25	532.40
Additions during the year	-	25.35	25.35
Disposals during the year	-	-	-
Balance as at March 31, 2023	24.15	533.59	557.74
II. Accumulated Amortisation			
Balance as at 1st April, 2022	-	-	-
Amortization expense for the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2023	-	-	-
III. Net Block			
As at March 31, 2023	24.15	533.59	557.74

For the year ended March 31, 2022

			Rs. in Lacs
Description of Assets	Right To Use Mega Pipe Line	Right to use CETP Plant	Total
I. Cost			
Balance as at 1st April, 2021	24.15	483.52	507.67
Additions during the year	-	24.73	24.73
Disposals during the year	-	-	-
Balance as at March 31, 2022	24.15	508.25	532.40
II. Accumulated Amortisation			
Balance as at 1st April, 2021	-	-	-
Amortization expense for the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2022	-	-	-
III. Net Block			
As at March 31, 2022	24.15	508.25	532.40

3. Investments

		Rs. in Lacs	
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-Current			
Investment in equity instruments	00.03	00.03	
Total Non-current investments	00.03	00.03	
Non-Current			
Unquoted			
Investment carried at Cost 25 (31st March, 2022: 25) Equity Shares of SVC Co-operative Bank Ltd of face Value of Rs.10/- Each.	00.03	00.03	
Current			
Investment in equity instruments	1184.43	1184.43	
Units of Mutual Fund (Sundaram LMGP)	05.67	05.83	
Total Current investments	1190.09	1190.26	
Current			

Unquoted		
Investment carried at fair value through other comprehensive income		
1. 3,51,600 (P.Y. 351600) Eq. Sh. Of Alpine Spinweave Pvt. Ltd. (Incl. Bonus Sh. of 307650)	41.07	41.07
2. 13,73,332 (P.Y. 1373332) Eq. Sh. Of Aarnav Industries Pvt. Ltd.	1143.35	1143.35
	1184.43	1184.43
Quoted		
Investment carried at fair value through other comprehensive income		
Units of Mutual Fund (Sundaram LMGP)	05.67	05.83
Total Non-current investments	00.03	00.03
Total Current investments	1190.09	1190.26

4. Other Non-Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	1200.00	1200.00
Prepaid expenses	-	-

5. Inventories

Particulars	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
(a) Raw materials		
Grey Cloth	3849.58	3562.76
Colour & Chemicals	842.15	1130.43
(b) Work-in-progress		
Stock-in-Process (Self)	3776.56	4409.48
Stock-in-Process (Job)	127.76	185.27
(c) Finished goods	2611.85	2995.39
(d) Stores and spares	120.42	145.82
(e) Fuels	65.42	81.61
(f) Design & Engraving items	155.45	142.42
(g) Packing Materials- A	41.53	39.12
(h) Packing Materials- B	-	20.25
	11590.71	12712.54

6. Trade Receivables

Particulars	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
Current		
Undisputed Trade receivables - Considered good		
From related parties	183.96	109.08
From others	12214.85	17150.67
Less Expected Credit Loss	-69.67	-69.67
	12329.13	17190.08

Trade Receivables Ageing Schedule- As at March 31, 2023
Rs. in Lacs

Sr No	Particular	Outstanding for following periods from due date of receipt					Total
		Less than 6 months	6 Months - 1 year	1 Year - 2 year	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	11344.18	984.95	-	-	-	12329.13
2	Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
3	Disputed Trade receivables - Considered good	-	-	-	-	-	-
4	Disputed Trade receivables - considered doubtful	-	-	-	-	69.67	69.67
Total		11344.18	984.95	-	-	69.67	12398.80

Trade Receivables Ageing Schedule- As at March 31, 2022
Rs. in Lacs

Sr No	Particular	Outstanding for following periods from due date of receipt					Total
		Less than 6 months	6 Months - 1 year	1 Year - 2 year	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	14423.04	1666.75	954.00	146.29	-	17190.08
2	Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
3	Disputed Trade receivables - Considered good	-	-	-	-	-	-
4	Disputed Trade receivables - considered doubtful	-	-	-	-	69.67	69.67
Total		14423.04	1666.75	954.00	146.29	69.67	17259.75

7. Cash and Bank Balances
Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
Balances with Banks	07.46	169.61
Cash on Hand	25.95	29.40
	33.41	199.02
Bank balances other than cash and cash equivalent		
Fixed Deposits (Due within 1 year)	447.94	423.32
	447.94	423.32

8. Loans

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to Related Parties	-	14.16
Loans and advances to employees	-	217.12
Loans & advances to others	37.66	42.01
	37.66	273.29

9. Other Current Financial assets

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	12.21	11.72
	12.21	11.72

10. Current Tax Assets

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
TDS & TCS Receivables / Advance Tax	192.91	206.05
Less Provisions for Tax	-25.00	-315.00
	167.91	-108.95

11. Other Current Assets

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than capital advances like		
Balance with statutory authorities	1231.87	1407.34
Advances to Suppliers	99.03	46.55
Prepaid Expenses	07.08	07.61
Preliminary Exps	-	06.79
Others	77.90	58.81
	1415.88	1527.10

12. Share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised 6,94,75,000 (P.Y. 6,94,75,000) Equity Shares of ₹ 10/- each	6947.50	6947.50
Issued, subscribed and fully paid-up share capital 4,22,38,628 (P.Y. 4,22,38,628) Equity Shares of ₹ 10/- Each fully Paid up	4223.86	4223.86

Notes:

a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the reporting period:	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Rs. in Lacs	No of Shares	Rs. in Lacs
As the beginning of the year/ period	42238628	4223.86	42238628	4223.86
Share capital issued during the year/ period	-	-	-	-
Outstanding at the end of the year/ period	42238628	4223.86	42238628	4223.86

(b) Details of shareholder holder more than 5% shares in the Company
Rs. in Lacs

PARTICULAR	As at March 31, 2023		As at March 31, 2022	
	No. of shares held *	% of Total paid up Equity Share Capital	No. of shares held *	% of Total paid up Equity Share Capital
Champalal Gopiram Agarwal	9422763	22.31%	9422763	22.31%
Sumit Champalal Agarwal	11553149	27.35%	11553149	27.35%
Satyabhama C. Agarwal	5023588	11.89%	5023588	11.89%
Pooja S. Agarwal	2221899	5.26%	2221899	5.26%
Others	14017229	33.19%	14017229	33.19%
	42238628	100.00%	42238628	100.00%

Equity shares of Rs. 10 each fully paid

(c) Shares held by promoters as at March 31, 2023				
S. No	Promoter name	No. of Shares (Rs. in Lacs)	% of total shares	% Change during the year
1	Champalal Gopiram Agarwal	94,22,763	22.31%	-
2	Sumit Champalal Agarwal	1,15,53,149	27.35%	-
Shares held by promoters as at March 31, 2022				
S. No	Promoter name	No. of Shares (Rs. in Lacs)	% of total shares	% Change during the year
1	Champalal Gopiram Agarwal	94,22,763	22.31%	-
2	Sumit Champalal Agarwal	1,15,53,149	27.35%	-

Details of rights, preferences and restrictions attached to the shares

- The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.
- Cash dividends on equity shares declared and paid:
Interim dividend for the year ended on 31 March 2022: Rs. 0.50 per share has been proposed vide BoD meeting Dated 5th May, 2022. No Final dividend for the year ended on 31 March 2022 had been proposed.
Dividend for the year ended on 31 March, 2023: No Final Dividend for the year ended on 31st March, 2023 has been proposed.
- 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.
- The Company does not have any holding Company.
- As per records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Particular	Aggregate number of shares				
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March, 2019
Equity shares with voting rights	42238628	42238628	42238628	15005000	3005000
Fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

(Please refer Note No. 42 on "Amalgamation")

13. Other Equity

Rs. in Lacs

PARTICULAR	As at March 31, 2023	As at March 31, 2022
Security Premium	11562.96	11562.96
Capital Reserve	-	-
Other Comprehensive Income	15.93	16.09
Retained Earnings	1455.43	1492.32
	13034.32	13071.37

Nature and purpose of reserves

- Capital Reserve
The reserve is utilized in accordance with the provisions of the Act.
- Equity Security Premium
The amount received in excess of face value of the equity shares is recognized in equity security premium.
- Other Comprehensive income
 - The fair value change of the equity instruments measured at fair value through other comprehensive income is recognized in equity instruments through Other Comprehensive Income.
 - The remeasurement gain/(loss) on net defined benefit plans is recognized in Other Comprehensive Income net of tax.
- Retained Earnings
Retained earnings are the profits that the Company has earned till date less transfer to other reserves, dividends or other distributions to shareholders.

14. Borrowings

Rs. in Lacs

Particular	As at March 31, 2023	As at March 31, 2022
Non-Current		
a. Bonds / Debentures	-	-
b. Term Loans		
(i) From Banks		
Secured Loan from Punjab National Bank		
Term Loan-VII	-	61.43
Term Loan - VIII	361.24	691.89
Demand Loan (GECL)	747.89	1027.17
Demand Loan (GECL2.0)	566.86	566.86
Secured Loan from State Bank of India		
Term Loan	277.04	595.83
Demand Loan (GECL)	551.07	723.80
Demand Loan (GECL2.0)	379.35	379.83
Secured Loan from SVC Co-op. Bank Ltd.		
Term Loan	702.51	911.25
Demand Loan (GECL)	521.86	521.50
Vehicle Loans fro Other Bank	250.00	-
Less: Current Maturity of Secured Loan	-925.00	-889.80
(ii) Loan from directors -related parties	-	1855.88
Total Non-current borrowing	3432.83	6445.62

Current	As at March 31, 2023	As at March 31, 2022
a. Secured		
(i) From Banks		
A. From Punjab National Bank		
Cash Credit Limit	4435.14	4478.39
Demand Loan (Covid-19)	-	54.33
B. From State Bank of India		
Cash Credit Limit	2505.07	2393.06
Demand Loan (Covid-19)	-	29.62
C. From SVC Co-operative Bank Ltd		
Cash Credit Limit	1081.09	975.75
Demand Loan (Covid-19)		
b. Unsecured		
Loan from Others (Director/Relatives/ICDs)	346.06	17.50
(II) Current maturity of term loans from Bank	925.00	889.80
Total Current borrowing	9292.37	8838.44

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

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

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

(d) The Instalments falling due in respect of all the above term loans up to 31.03.2024 have been grouped under "Current Borrowings"

15. Other Financial Liabilities

Particular	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
Non Current		
Unclaimed Dividend	01.15	00.32
	01.15	00.32

16. Deferred tax liabilities (net)

Particular	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities/ Assets	2615.40	2614.62
	2615.40	2614.62

Movements in Deferred Tax

Particular	As on 01.04.2022	Charged/ (Credited) to Profit or Loss	Charged/ (Credited) to OCI	As at March 31, 2023
Deferred Tax Liability/(Assets)				
Amalgamation	2616.18	-	-	2616.18
others	-01.55	00.77	-	-00.78
Sub Total (A)	2614.62	00.77	-	2615.40
Movements in Deferred Tax				
PARTICULAR	As on 01.04.2021	Charged/ (Credited) to Profit or Loss	Charged/ (Credited) to OCI	As at March 31, 2022
Deferred Tax Liability/(Assets)				
Amalgamation	2616.18	-	-	2616.18
Others	-02.32	00.77	-	-01.55
Sub Total (A)	2613.85	00.77	-	2614.62

17.Trade Payables

Particular	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5613.82	8632.82
	5613.82	8632.82

Trade Payables Ageing Schedule

As at March 31, 2023

Sr No	Particular	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-
2	Others	5613.82	-	-	-	5613.82
3	Disputed dues - MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	--
	Total	5613.82	-	-	-	-

As at March 31, 2022

Sr No	Particular	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-
2	Others	8286.32	346.50	-	-	8632.82
3	Disputed dues - MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	--
	Total	8286.32	346.50	-	-	8632.82

Payable to MSME Suppliers

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2023. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Sr No	PARTICULAR	As at March 31, 2023	As at March 31, 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

18. Other Current Liabilities

Particular	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
Advance Received from Customers	40.36	05.75
Statutory Liabilities	34.32	44.72
Payable for Colour-Chemicals and others		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3579.04	4610.27
	3653.72	4660.75

19. Revenue from Operations

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products		
Finished goods (Net of Return)		
In India	32817.65	36225.39
Outside India	77.67	761.48
Financial Services	-	21.00
Sale of Services		
Job Work Charges	6777.34	4846.20
Duty Draw Back Received	01.15	11.35
Income from sale of Import License	23.10	37.93
Exchange Rate Fluctuation	06.79	05.59
Rebate, Discount & Claim	55.10	48.32
Income from Colour-Chemical Sale	94.51	45.57
Income from Scrap Sale	06.13	
Sundry Balance W/off		54.01
	39859.46	42056.83
Less:		
Commission	168.19	143.37
	168.19	143.37
	39691.27	41913.46

20. Other Income

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend	06.87	-
Profit on sale of Assets	-	00.03
Interest Income (Bank FDR) (Net)	24.96	09.44
Total Other income	31.83	09.47

21. Cost of Material Consumed

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Grey Cloth (A)		
Inventory at the beginning of the year	3562.76	3056.74
Add: Cloth Purchase	23017.12	27367.21
Add: Freight	264.17	284.45
Add: Brokerage on Grey Cloth Purchase	40.47	05.18
Less: Inventory at the end of the year	3849.58	3562.76
Cost of raw material and components consumed (A)	23034.94	27150.82
Colour and Chemicals (B)		
Inventory at the beginning of the year	1130.43	415.39
Add.: Purchase	3326.94	2950.74
	4457.37	3366.13
Less: Inventory at the end of the year	842.15	1130.43
Cost of raw material and components consumed (B)	3615.21	2235.70
Cost of Raw material Consumed (A+B)	26650.15	29386.52

22. Changes in inventory of finished goods, stock in trade and WIP

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
(i) Finished Goods	2995.39	1806.52
(ii) Work-in-Process	4594.75	3076.89
	7590.14	4883.41
Closing Stock		
(i) Finished Goods	2611.85	2995.39
(ii) Work-in-Process	3904.32	4594.75
	6516.17	7590.14
	1073.97	-2706.73

23. Employee Benefit Expenses

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary & Wages	619.14	527.77
Leave Salary	02.32	02.26
Bonus Expenses	03.39	03.88
Contribution to P.F.	18.43	16.87
Contribution to E.S.I.	05.12	05.04
Staff & Labour Welfare Exp.	00.12	00.18
Director Remuneration	72.00	72.00
	720.52	628.00

24. Finance Costs

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Interest	1029.49	1119.04
Bank Charges & Commission Exp.	57.38	39.24
L. C. & Bill Discounting Charges	44.70	34.25
Other Interest Expenses	12.23	-
	1143.81	1192.53

25. Other Expenses

Particular	Rs. in Lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores & Spares Consumed	507.83	352.85
Design, Engraving & Process Charges Paid Exp	1409.48	1212.53
Clearing & Forwarding Charges & Cust. Duty Exp	07.96	01.39
Power & Fuel & Electric Expenses	5372.79	4234.20
Repair & Maintenance Expenses	210.06	220.09
Factory & Other Mfg. Expenses	76.43	56.32
Pollution Control Expenses	161.82	115.80
Packing Expenses	389.76	327.06
Auditor's Remuneration	06.11	06.48
Insurance Expenses	84.88	70.40
Legal Expenses	07.90	32.79
Filing Fees Expenses	04.98	00.13
Consultancy Charges	46.87	39.58
Telephone Expenses, Postage & Courier Exp	11.85	09.73
Printing & Stationery Expenses	13.82	14.57
Rent Expenses	14.91	13.93
Municipal Tax Expenses	09.60	10.42
Office & Other Misc. Exp	13.37	10.62
Donation & Charity Exp	09.72	06.94
Conveyance Expenses	01.90	02.26
Vehicle Expenses	11.87	08.33
Loss on sale of Assets	08.08	-
Provision for Doubtful Debts	-	49.64
GST Expenses	09.00	08.87
GST Interest Expenses	03.98	26.82
Sundry Balance W/.off	21.20	-
Listing Fees	03.00	03.00
Interest on TDS	-	00.01
Directors' Sitting Fees Exp.	00.36	00.20
Loading/Unloading, Cartage, C&F (o/w) Exp	89.80	86.85
Sales Promotion & Gift Article Exp	27.65	19.99
Travelling Expenses	133.86	49.94
Advertisement expenses	01.01	03.15
	8671.83	6994.89
Auditor's Remuneration		
As Statutory Audit	05.00	05.00
As Tax Audit	01.00	01.00
As other Consultancy	00.11	00.48
	06.11	06.48

26. Income Tax

Rs. in Lacs

(a) 'The major components of income tax expenses for the year ended March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022
Statement of profit and loss		
Current income tax:		
Current income tax charge	25.00	315.00
Adjustment in respect of income tax charge of previous years	30.49	14.89
Deferred tax :		
Charges relating to origination and reversal of temporary differences	00.77	00.77
Income tax expenses reported in statement of profit and loss	56.26	330.67
(b) Other Comprehensive Income (OCI) section		
Equity instruments through other Comprehensive Income	-00.22	19.73
Deferred tax related to items recognised in OCI during the year	00.06	-04.60
Net loss / (gain) on Remeasurements of defined benefit plans	-00.16	15.14
Income tax credit / (charged) to OCI	-00.16	15.14
(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2023		
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit(Loss) before tax as per Statement of Profit and loss	94.40	1262.25
Income tax using the Company's domestic tax rate	23.76	317.71
'Tax Effect of:		
Inadmissible Expenses or Expenses treated as separately	199.81	203.01
Admissible Deductions	-145.68	-163.81
Other adjustments	-52.89	-41.90
Total Income Taxes for current year	25.00	315.00
Taxes for earlier years	30.49	14.89
Deferred Taxes	00.77	00.77
Income Tax and deferred tax expenses as per Profit & Loss	56.26	330.67

27. Earnings per Share

Rs. in Lacs

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) for the year (Amount in Rs.)	38.14	931.58
Number of equity shares (Weighted Average)	42238628	42238628
Basic Earnings per Share (Rs.)	0.09	2.21
Diluted Earnings Per Share (Rs.)	0.09	2.21

28. Financial instruments

1. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

Particular	Rs. in Lacs	
	As at March 31, 2023	As at March 31, 2022
Debt	12725.19	15284.07
Cash and bank balances	33.41	622.34
Net debt	12691.78	14661.73
Total equity	17258.18	17295.23
Net debt to equity ratio	0.74	0.85

Debt is defined as long-term and short-term borrowing

2. Categories of financial instruments

Particular	Rs. in Lacs			
	As at March 31, 2023		As at March 31, 2022	
	Carrying values	Fair values	Carrying values	Fair values
Financial assets				
Measured at amortised cost				
Investments	00.03	00.03	00.03	00.03
Other Non-Current Financial Assets				
Trade receivables	12329.13	12329.13	17190.08	17190.08
Cash and cash equivalents	481.36	481.36	622.34	622.34
Loans	37.66	37.66	273.29	273.29
Other Financial Assets	12.21	12.21	11.72	11.72
Total Financial Assets carried at amortised cost (A)	12860.38	12860.38	18097.45	18097.45
Measured at fair value through profit and loss				
Current investments in mutual funds	05.67	05.67	05.83	05.83
Total Financial Assets at fair value through profit and loss (B)	05.67	05.67	05.83	05.83
Measured at fair value through other comprehensive income				
Non-current investments in equity instruments	1184.43	1184.43	1184.43	1184.43
Total Financial Assets at fair value through OCI (C)	1184.43	1184.43	1184.43	1184.43
Total Financial Assets (A+B+C)	14050.48	14050.48	19287.71	19287.71
Financial liabilities				
Measured at amortised cost				
Non-current liabilities				
Non-current borrowings *	3432.83	3432.83	6445.62	6445.62
Current liabilities				
Short-term borrowings	9292.37	9292.37	8838.44	8838.44
Trade payables	5613.82	5613.82	8632.82	8632.82
Other financial liabilities	-	-	-	-
Financial Liabilities measured at amortised cost	18339.01	18339.01	23916.89	23916.89
Total Financial Liabilities	18339.01	18339.01	23916.89	23916.89

For financial liabilities (domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.

3. Financial risk management objectives

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

4. Market risk

The Company's activities expose it primarily to the financial risks of changes in interest rates due to variable interest loans. . The Company does not enter into derivative contracts to manage risks related to anticipated sales and purchases.

5. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particular	As at March 31, 2023			As at March 31, 2022		
	(Amount in Rupees)			(Amount in Rupees)		
	USD	EURO	INR	USD	EURO	INR
Financial assets						
Non-current financial assets						
Investments	-	-	-	-	-	-
Advances to supplier	-	-	-	-	-	-
Total non-current financial assets	-	-	-	-	-	-
Current financial assets						
Trade receivables (Exports)	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Loans						
Total current financial assets	-	-	-	-	-	-
Total financial assets	-	-	-	-	-	-
Financial liabilities						
Non-current financial liabilities						
Borrowings	-	-	-	-	-	-
Total non-current financial liabilities	-	-	-	-	-	-
Current financial liabilities						
Borrowings	-	-	-	-	-	-
Acceptances and other trade arrangements	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total current financial liabilities	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-
Excess of financial liabilities over financial assets	-	-	-	-	-	-
Hedge foreign currency risk	-	-	-	-	-	-
Unhedge foreign currency risk	-	-	-	-	-	-
Sensitivity impact on Net liabilities/(assets) exposure at 10%	-	-	-	-	-	-

5.1 Foreign currency sensitivity analysis

The Company is not materially exposed to USD and EURO currency.

6. Interest rate risk management

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in interest rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like long term and short-term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The table in 6.1 provides a break-up of the Company's fixed and floating rate borrowings:

6.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

Particular	As at March 31, 2023		As at March 31, 2022	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
USD				
Fixed Loan	346.06	NA	1873.38	NA
Variable Loan	12379.13	61.90	13349.26	66.75
Total	12725.19	61.90	15222.64	66.75

7. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the above mentioned company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

7.1 Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

8. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

1 Disclosure as per Ind AS 113 - Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

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

Level 1- Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. Listed and actively traded equity instruments are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE).

Level 2- The fair value of financial instruments that are not traded in active market 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 2.

Level 3- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on Cost Approach using Net Asset Method.

Valuation Techniques used to determine fair values:

A) Specific valuation technique is used to determine the fair value of the financial instruments which include:

- For financial instruments other than (ii):- In accordance with generally accepted pricing models based on Net Asset Value analysis using prices from observable market transactions and dealer quotes of similar instruments.
- For financial liabilities (domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.

8.1 The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particular	Rs. In Lacs							
	As at March 31, 2023				As at March 31, 2022			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial assets								
Non-current								
Investments	-	-	00.03	00.03	-	-	00.03	00.03
Other Financial Assets	-	-	-	-	-	-	-	-
Total non-current financial assets	-	-	00.03	00.03	-	-	00.03	00.03
Current								
Investments	-	-	1190.09	1190.09	-	-	1190.26	-
Trade receivables	12329.13	69.67	-	12398.80	16089.79	1100.29	-	17190.08
Cash and cash equivalents	481.36	-	-	481.36	622.34	-	-	622.34
Loans	37.66	-	-	37.66	273.29	-	-	273.29
Other Financial Assets	12.21	-	-	12.21	11.72	-	-	-
Total current financial assets	12860.36	69.67	1190.09	14120.12	16985.42	1100.29	-	18085.71
Total financial assets	12860.36	69.67	1190.12	14120.14	16985.42	1100.29	00.03	18085.74

Financial liabilities								
Non-current								
Borrowings	-	3432.83	-	3432.83	-	6445.62	-	6445.62
Other financial liabilities	-		01.15	01.15	-		00.32	00.32
Total non-current financial liabilities	-	3432.83	01.15	3432.83	-	6445.62	00.32	6445.62
Current								
Borrowings	9292.37	-	-	9292.37	8838.44	-	-	8838.44
Trade payables	5613.82	-	-	5613.82	8632.82	-	-	8632.82
Lease Liabilities		-	-	-	-	-	-	-
Other financial liabilities		-	-	-	-	-	-	-
Total current financial liabilities	14906.19	-	-	14906.19	17471.26	-	-	17471.26
Total financial liabilities	14906.19	3432.83	01.15	18339.01	17471.26	6445.62	00.32	23916.89

29. Contingent Liabilities and Commitments

I. Contingent liabilities		Rs. in Lacs	
		As at March 31, 2023	As at March 31, 2022
(a)	Corporate Guarantee Given on behalf of subsidiaries	-	-
(b)	Disputed demand of income tax for which appeal has been filed	238.65	238.65
(Against which Rs.48.00 Lacs has been deposited under protest)			
Total		238.65	238.65
II. Commitments			
Commitments		-	-
Total		-	-

III. The estimated amount of capital contract remaining to be executed on capital account and not provided for Rs. Nil (P.Y. Nil) against which advance have been paid Rs. 0/- (P.Y. Nil)

30. The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act); disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/identified by the Company management:

31. Segment Information

The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). Textiles Business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

(a) Description of segment and principal activities

The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). Textile Business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

(b) Information about geographical areas

(i) Revenue from External Customers		
PARTICULAR	2022-23	2021-22
India	39781.79	41274.36
Outside India	77.67	761.48
Total	39859.46	42035.83
Revenue from external customer is allocated based on the location of customers.		
(ii) Non - Current Assets		
Particulars	2022-23	2021-22

India	14642.50	15069.44
Outside India	-	-
Total	14642.50	15069.44

Non-current assets include property, plant and equipment, capital work in progress, intangible assets and Security Deposits. It is allocated based on the geographic location of the respective assets.

32. Balance of Trade receivables, Trade payables, loans and advances are subject to confirmation from the respective parties.

33. The figures pertaining to previous periods have been regrouped and restated wherever necessary, to make them comparable.

34. The financial statements are approved by the audit committee as at its meeting and by the Board of Directors on 30.05.2023

35. Ind As 115 : Revenue from Contracts with Customers:

The disaggregation of Revenue from Contract with Customers – Segment-wise

PARTICULAR	Rs. In lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales in Domestic Market	32817.65	36225.39
Sales in Export Market	77.67	761.48
Job Work Charges	6777.34	4846.20
Financial Services	-	21.00
Less Commission	-168.19	-143.37
Total Revenue	39504.47	41710.69

(A) Disaggregated revenue information

Set out below is the disaggregation of the company's revenue from contracts with customers:

Segment	Rs. In lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Type of goods or service		
Sale of manufactured goods		
Sale of Goods	32895.32	36986.86
Job Work Charges	6777.34	4846.20
Financial Services	-	21.00
Total revenue from contracts with customers	39672.66	41854.06
India	39594.99	41092.58
Outside India	77.67	761.48
Total revenue from contracts with customers	39672.66	41854.06
Timing of revenue recognition		
Goods transferred at a point in time	39672.66	41854.06
Total revenue from contracts with customers	39672.66	41854.06

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	Rs. In lacs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue		
External customer	39672.66	41854.06
Inter-segment	-	-
Inter-segement adjustment and elimination	-	-
Total revenue from contracts with customers	39672.66	41854.06

B) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

Rs. In lacs

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables*	12329.13	17190.08
Contract liabilities	-	-
Advances from customers	40.36	05.75

*Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Rs. In lacs

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price		
Sales-Fabrics	32895.32	36986.86
Sales Job	6777.34	4846.20
Financial Services	-	21.00
Special Discount-Sales Return	-	-
Commission on sale and other adjustment	-168.19	-143.37
Revenue from contract with customers	39504.47	41710.69

* Revenue net of discounts, claims and commission

D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Rs. In lacs

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Advances from customers	40.36	05.75
	40.36	05.75

36. Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognized as revenue during the next financial year.

37. Loans and Advances, Unsecured loan and Debtors/Creditors are subject to confirmation.

38. Company has not given any loan or Guarantees during the year hence disclosure under section 186(4) of the Companies Act, 2013 is not given.

39. Figures have been presented in 'Lacs' of rupees with two decimals.

40. The figures of previous year have been regrouped or rearranged wherever necessary to conform to current year's presentation as per Schedule III (Division II) to the Companies Act 2013

41. RELATED PARTY TRANSACTIONS

Name of the Related Parties and Description of Relationship	Nature of Relationship
Particulars of Group Concerns (For the F.Y.2022-2023)	
Aarnav Industries Private Limited	Group Concern
One World Texofab Pvt. Ltd.	Group Concern
Alpine Spinweave Pvt. Ltd.	Group Concern
Director/KMP (For the F.Y.2022-2023)	
	Designation
Sumit Agarwal	Managing Director
Champalal Agarwal	Director & Chairman
Nidhi Aggrawal	Director, Company Secretary & Compliance Officer
Radhakishan Sharma	Chief Financial Officer
Kuldeep Shah	Independent Director
Sourhabh Patawari	Independent Director

Madhur Murari Todi	Independent Director
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Name of the Related Parties and Description of Relationship	Nature of Relationship
Particulars of Group Concerns (For the F.Y.2021-2022)	
Aarnav Industries Private Limited	Group Concern
One World Texofab Pvt. Ltd.	Group Concern
Alpine Spinweave Pvt. Ltd.	Group Concern
Director/KMP (For the F.Y.2021-2022)	
Designation	
Sumit Agarwal	Managing Director
Champalal Agarwal	Director & Chairman
Nidhi Aggarwal	Director, Company Secretary & Compliance Officer
Radhakishan Sharma	Chief Financial Officer
Kuldeep Shah	Independent Director
Sourabh Patawari	Independent Director
Madhur Murari Todi	Independent Director

Related Party Transactions:

Rs. in Lacs

Particular	F.Y. 2022-2023	F.Y. 2021-2022
Outstanding Balance as at year end [Dr/(Cr)]		
Aarnav Industries Private Limited	183.96	-108.99
Alpine Spinweave Private Limited	109.02	-109.08
One World Texofab Pvt. Ltd.	-243.40	-765.65
Payable Balance as at year end (Dire/KMP)		
Champalal Agarwal	02.06	02.06
Sumit Agarwal	02.06	02.06
Nidhi Aggrawal	00.50	00.42
Radhakishan Sharma	00.35	0.27
Loan Taken		
One World Texofab Pvt. Ltd.	2691.00	765.65
Loan Taken Repaid		
One World Texofab Pvt. Ltd.	3213.25	-
Loan Given		
Aarnav Industries Private Limited	-	14.16
Loan Given repaid		
Aarnav Industries Private Limited	-	14.16
Remuneration Paid		
Champalal Agarwal	36.00	36.00
Sumit Agarwal	36.00	36.00
Nidhi Aggarwal	05.93	04.75
Radhakishan Sharma	04.59	4.01
Rent Paid		
Champalal Agarwal	01.50	01.20
Sumit Agarwal	01.50	01.20
Dividend Paid		
Champalal Agarwal	10.21	10.21
Sumit Agarwal	10.21	10.21
Director Sitting Fees Paid		
Kuldeep Shah	00.12	00.07
Sourabh Patawari	00.12	00.07
Madhur Murari Todi	00.12	00.07
Purchase of Goods		

Aarnav Industries Pvt. Ltd.	432.67	584.95
Sale of Goods		
Aarnav Industries Pvt. Ltd.	294.37	-
Alpine Spinweave Private Limited	62.54	-

42. Notes on Amalgamation in the nature of Merger:

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

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

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

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

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

The financials for the current financial year 2022-2023 and that of preceding financial year 2021-2022 have been prepared so as to include financials of the Transferor Companies in accordance with Indian Accounting Standard (IND-AS) 103, "Business Combinations".

Filing of Applications for the change of name with various authorities like Land Revenue Authority, Electricity Company, Gujarat Pollution Control Board (GPCB), Factory & Industrial Licencing Authority, Ahmedabad Municipal Corporation, DGFT, etc are either get processed or under process and shall get changed in due course.

43. Disclosure Relating To Various Ratios:

Sr. No	Ratio	Numerator	Denominator	31st March, 2023	31st March, 2022	% variance	Reason for variance
1	Current ratio	Current assets	Current liabilities	1.467	1.507	-2.77%	Not a Material Variation
2	Debt-Equity ratio	Total debt	Shareholders' equity	1.274	1.659	-23.17%	Due to Reduction of Current/Non-current Liab
3	Debt- service coverage ratio	Earning available for debt service	Debt service	1.018	1.592	-36.07%	Due to Decrease in EBDIT
4	Return on equity ratio	Net profit after taxes less preference dividend (if any)	Average shareholders' equity	0.221	5.386	-95.90%	Due to Decrease in Profit
5	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	2.331	2.924	-20.26%	Due to Decrease in Sales
6	Trade receivable turnover ratio	Net credit sales	Average trade receivables	2.688	2.347	14.54%	Due to Reduction of Average Receivables
7	Trade payables turnover ratio	Net credit purchase	Average trade payables	3.316	3.648	-9.11%	Due to Reduction of Average Payables
8	Net capital turnover ratio	Net sales	Average working capital	4.578	3.707	23.53%	Due to Reduction in Net Working Capital
9	Net profit ratio	Net Profit after taxes	Net sales	0.096	2.227	-2216.42%	Due to Decrease in Profit
10	Return on capital employed	Earning before interest and taxes	Capital employed	7.175	14.193	-49.45%	Due to Decrease in EBDIT
11	Return on investment	Income from Investments	Cost of Investment	0.577	0.000	100.00%	Due to Nil income in Preceeding year
12	Interest Coverage Ratio	Earnings available for debt service (EBDIT)	Total Interest Expenses	1.921	2.857	-32.76%	Due to Decrease in EBDIT

44. Assets Mortgage/Hypothecated as security

The carrying amount of assets pledged/hypothecated as security for current and non-current borrowings are:

Rs. In lacs

	Assets description	As at March 31, 2023	As at March 31, 2022
	<i>First and / or Second charge</i>		
I.	Current Financial Assets		
	Investments	1190.09	1190.26
	Trade receivables	12329.13	17190.08
	Bank balances	447.94	423.32
	Other financial assets	12.21	11.72
	Loans	37.66	273.29
II.	Current Assets		
	Inventories	11590.71	12712.54
	Other Current Assets	1415.88	1527.10
	Total current assets Hypothecated/Mortgage as security	27023.62	33328.31
	<i>First and / or Second charge</i>		
III	Property, Plant and Equipment		
	Land	5949.12	5949.12
	Building	1543.11	1613.32
	Plant and Equipment	4493.50	5018.50
	Electric Installation	04.71	09.29
	Furniture and fixtures	55.01	75.85
	Office Equipment	01.83	11.28
	Vehicles	243.93	40.15
	Computer	02.36	01.28
	Effluent Treatment Plant	95.38	122.44
	J. Intangible Assets	557.74	532.40
IV.	Capital work in progress	-	-
V.	Non-Current Financial Assets		
	Investment	00.03	00.03
	Other Financial Assets/Non-Current Assets	-	-
VI.	Other Non-Current Assets	-	-
	Total non-current assets Hypothecated/Mortgage as security	12946.71	13373.65
	Total Assets Hypothecated/Mortgage as security	39970.34	46701.96
Significant Accounting Policies A & B			

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

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

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

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

PLACE: AHMEDABAD
DATE: 30-05-2023

NIDHI AGRAWAL
DIN: 08364168
COMPANY SECRETARY & COMPLIANCE OFFICER

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

AARNAV FASHIONS LIMITED
CIN: L17100GJ1983PLC028990

Registered Office: 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002
Ph: 079-29702983, e-mail: aarnavfashions@gmail.com website: www.aarnavgroup.com

PROXY FORM

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made thereunder)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member (s) of.....shares of the above named company, hereby appoint

- Name: _____
 Address: _____
 E mail Id: _____ Signature: _____ or failing him
- Name: _____
 Address: _____
 E-mail Id: _____ Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting and/or any adjournment thereof of Aarnav Fashions Limited held on Saturday, September 30, 2023 at 03:00 P.M. Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405, Gujarat, India. and/or any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTION
ORDINARY BUSINESSES	
1	Adoption of financial statements
2	To appoint a Director in place of Ms. Nidhi Sanjaykumar Aggrawal, Director (DIN: 08364168), who retires by rotation and being eligible offers herself for re-appointment.
SPECIAL BUSINESSES	
3	To ratify remuneration of cost auditor for the F.Y. 2022-2023.
4	To ratify remuneration of cost auditor for the F.Y. 2023-2024.
5	Re-appointment of Mr. Saurabh Vijay Patawari (DIN:08364509) as an Independent Director of the company.
6	Re-appointment of Mr. Kuldeep Ashokbhai Shah (DIN: 08365637) as an Independent Director of the company.
7	Re-appointment of Mr. Madhur Murari Todi (DIN: 02343422) as an Independent Director of the company.

Signed this.....day of.....2023

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp of not less than Rs. 1

Note:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting on or before September 28, 2023 at 03:00 P.M.)
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate

ATTENDANCE SLIP

AARNAV FASHIONS LIMITED

CIN: L17100GJ1983PLC028990

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

Ph: 079-29702983, e-mail: aarnavfashions@gmail.com website: www.aarnavgroup.com

Regd. Folio No./DP Id No.*/Client Id No.* (*Applicable for investor holding shares in electronic form.)	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 40th Annual General Meeting of Aarnav Fashions Limited held on Saturday, September 30, 2023 at 03:00 P.M. Survey No. 302-305, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Notes: Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.



AARNAV FASHIONS LIMITED
CIN: L17100GJ1983PLC028990

**REGISTERED OFFICE: 1, NEW CLOTH MARKET, O/S RAIPUR GATE, RAIPUR,
AHMEDABAD-380002**

**CORPORATE OFFICE & WORKS :- SURVEY NO. 302-305, ISANPUR,
NAROL-VATVA ROAD, AHMEDABAD – 382405 (INDIA).**