

ZODIAC

7th September, 2021

National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East Mumbai - 400051 Scrip Code : ZODIACLOTH	BSE Limited, Corporate Relationship Department, First Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Mumbai - 400001 Scrip Code : 521163
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Dear Sir,

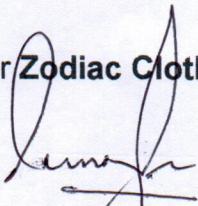
Sub: 37th Annual General Meeting of the Company

In continuation to outcome dated 30th June, 2021 intimating the date of the 37th Annual General Meeting (AGM) of the Company, please find attached herewith a copy of the Notice of the 37th AGM to be held on Wednesday, 29th September, 2021 at 3:00 p.m. through Video Conference facility ('VC')/ Other Audio Visual Means ('OAVM') without physical presence of the members at a common venue, in compliance with the provisions of the Companies Act, 2013 ('the Act'), MCA circulars dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'Circulars'), to transact the business as set out in the Notice of 37th AGM dated 30th June, 2021 along with the Annual Report for the year 2020 – 21.

The same is also available on the website of the Company, viz. www.zodiaconline.com.

Request you to kindly take the above on record.

For **Zodiac Clothing Company Limited**



Kumar Iyer

Company Secretary

Membership No.: A9600



ZODIAC CLOTHING COMPANY LTD.,

Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030. India.

Tel.: +91 22 6667 7000 Fax: +91 22 6667 7279 CIN: L17100MH1984PLC033143

Trademark Under Licence From Metropolitan Trading Co.

www.zodiaconline.com

ZODIAC CLOTHING COMPANY LIMITED

CIN: L17100MH1984PLC033143

Registered Office: Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai -400 030.

Tel: 66677000 Fax: 66677279 Website: www.zodiaconline.com email id: contactus@zodiacmtc.com

NOTICE OF 37th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of Zodiac Clothing Company Limited will be held on Wednesday, 29th September, 2021 at 3:00 p.m. (IST), through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM") facility to transact the following Businesses.

The proceedings of the 37th Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at Nyloc House, 254, D2, Dr. Annie Besant Road, Worli, Mumbai - 400030 which shall be the deemed venue of the 37th AGM.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. S. Y. Noorani (DIN: 00068423), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 3) **To approve material related party transaction limits with Zodiac Metropolitan Clothing GMBH**

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014, as applicable including any statutory modifications or amendments or re-enactments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolutions) to enter into

agreement(s) / contract(s) / arrangement(s) / transaction(s) with Zodiac Metropolitan Clothing GMBH, a Related Party as defined under the Companies Act, 2013 and Listing Regulations, the value of which either singly or all taken together may exceed 10 (ten) percent of annual consolidated turnover as per audited financial statements of the Company, during the current financial year 2021-22, and also during each of subsequent two financial year(s) i.e. 2022-23 and 2023-24, relating to sale, supply of any goods or services, payment of commission, or any other transaction/s, for an amount not exceeding in the aggregate ₹ 25.00 Crores (Rupees Twenty Five Crores) per financial year, on such terms and conditions as may be mutually agreed between the Company and Zodiac Metropolitan Clothing GMBH.

FURTHER RESOLVED THAT the Board or person(s) as may be authorized by the Board be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and to approve aforesaid agreement(s) / contract(s) / arrangement(s) / transaction(s) and further to do all such acts, deeds, matters and things and finalise the terms and conditions and to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its/their absolute discretion pursuant to the above Resolution as may be considered necessary or incidental thereto."

By Order of the Board of Directors
For **Zodiac Clothing Company Limited**

KUMAR IYER
G. M. Legal & Company Secretary
Membership No. – A9600

Date: 30th June, 2021
Place: Mumbai

Registered Office:
Nyloc House, 254, D-2,
Dr. Annie Besant Road, Worli,
Mumbai 400 030

NOTES:

1. In the view of ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020, 13th April, 2020 and 13th January, 2021 respectively (collectively referred to as "MCA circulars"), permitted the holding of the 37th Annual General Meeting ("AGM meeting") through VC/OAVM without the physical presence of the members at a common venue. In accordance with the MCA circulars, provisions of the Companies Act, 2013("the Act") and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, as amended from time to time, the 37th AGM of the Company is being held through Video Conferencing/Other Audio-Visual Means ("VC" / "OAVM").
2. The Company has enabled the Members to participate at the 37th AGM through the VC/OAVM facility provided by KFin Technologies Private Limited (KFinTech), Registrar and Share Transfer Agents (RTA). The instructions for participation by Members are given in the subsequent paragraphs. Participation

at the 37th AGM through VC/OAVM shall be allowed on a first-come-first-served basis.

3. As per the provisions under the MCA circulars, members attending the 37th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the 37th AGM. The process of remote e-voting is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 37th AGM being held through VC/OAVM.
5. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the 37th AGM. The members who have cast their vote by remote e-voting prior to the AGM may also join the 37th AGM through VC/OAVM but shall not be entitled to cast their vote again.
6. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the 37th AGM is entitled

to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since, the 37th AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the members will not be available for the 37th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. Corporate members intending to let their authorised representatives attend the Meeting through VC/OAVM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote through VC/OAVM on their behalf at the Meeting pursuant to Section 113 of the Act. The said Resolution/ Authorisation shall be sent to the Company with a copy marked to evoting@kfinotech.com.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 20th September, 2021, to Wednesday, 29th September, 2021 (both days inclusive).
10. In compliance with the MCA General Circular No. 20/2020 dated 5th May, 2020 and 13th January, 2021 and SEBI Circular dated 12th May, 2020 and 15th January, 2021, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copy of Notice of the 37th AGM along with the Annual Report for the financial year 2020-21, the Notice and the Annual Report is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's RTA, KFinTech or the Depository Participant(s). The Company will not be dispatching physical copies of Notice of AGM and Annual Report to any Member.
11. Members are requested to register/update their email addresses, in respect of shares held in dematerialized mode/physical mode and who have not registered /updated their email addresses, may get their email address and mobile number registered with the Depository Participant(s)/Company's RTA KFin Technologies Private Limited respectively to receive electronically the Annual Report, 37th AGM notice and voting instructions along with their user ID and password. In case of any queries, members may write to einward.ris@kfinotech.com or call at 1800 309 4001 (Toll free).
12. A copy of the Notice of this AGM alongwith Annual Report for the financial year 2020-2021 is available on the website of the Company at www.zodiaconline.com, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin Technologies Private Limited at <https://evoting.kfinotech.com>
13. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item No. 3 of the accompanying Notice is annexed hereto.
14. A brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in Annexure A

to the Notice under Details of Director seeking re-appointment at the 37th Annual General Meeting.

15. Relevant documents referred to in the accompanying Notice and the Statement shall be provided for electronic inspection by the members from the Registered Office of the Company on all working days, (except Sundays and Public Holidays) during business hours up to the date of the Meeting.
16. Members who hold shares in physical form can avail of the nomination facility in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. SH-13 in duplicate with the Share Transfer Agents who, on request, will supply blank nomination forms. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
17. Members are being informed that as per the 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 1st April, 2019 unless the securities are held in the dematerialized form with the depositories.
18. All unclaimed dividends up to the Dividends for the year upto 2012-13 paid by the Company have been transferred to the General Revenue Account of the Central Government. Pursuant to the provisions of the Investor Education & Protection Fund (IEPF) (Uploading of Information Regarding Unpaid & Unclaimed Amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of the unpaid & unclaimed amounts lying with the Company on the website of the Company (www.zodiaconline.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed Equity Dividend for the financial year 2013-14 is due for transfer to IEPF on or before 18th October, 2021. Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in the prescribed Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.
19. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Equity Shares in respect of which dividend remains unclaimed/unpaid for the last seven or more consecutive years, are required to be transferred to the Demat Account of the IEPF authority. In this regard, the Company had informed the concerned Members through letter(s) and subsequently through publication of Notice(s) in 'the Free Press Journal' and 'Navshakti' advising them to claim their unclaimed/unpaid dividend from the Company within the stipulated time period. The Company has also uploaded on its website i.e. www.zodiaconline.com, the complete list of member's along with relevant details pertaining to unclaimed/unpaid dividend for seven consecutive years or more and the corresponding shares liable to be transferred to the Demat account of the IEPF Authority. Members may view the aforesaid details on www.zodiaconline.com under the 'Investor Relations' category.
20. Members are being informed that once the unclaimed/unpaid dividend is transferred to the account of IEPF and shares are transferred to the Demat account of IEPF authority, no claim shall lie against the Company in respect of such dividend/shares. The eligible members are entitled to claim such

- unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in the prescribed Form IEPF 5 online and sending the physical copy of the same duly signed along with the requisite documents to the Registered Office of the Company for verification of their claim. Those members, who have not encashed their dividends for the financial year 2013-14 and thereafter, are requested to claim it from KFinTech immediately.
21. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. KFin Technologies Pvt. Ltd, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana India. Toll free No. 1-800-309-4001, E-mail: einward.ris@kfintech.com.
 22. The Ministry of Corporate Affairs (MCA) has introduced a “Green Initiative in Corporate Governance” by allowing paperless compliances by the companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and rules framed thereunder. In case you have not registered your e-mail id, please communicate the same to the Company or RTA at their communication address given in the Annual Report in respect of the shares held in physical mode or communicate to the concerned DP in respect of shares held in demat/electronic mode.
 23. SEBI has mandated the submission of Permanent Account Number (PAN) as the sole identification number by every participant in securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares. Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s), (ii) Transmission of shares to the legal heir(s), and (iii) Transposition of shares. Accordingly, members holding shares in dematerialized form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts, if not already submitted. Members holding shares in the physical form can submit their PAN details to the Company / Registrar and Transfer Agents, KFinTech, if not already submitted.
 24. Members are requested to:
 - i. Quote Registered Folio / Client ID and DP ID in all their correspondence.
 - ii. For ease of conduct of the 37th AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company’s investor email-id investordesks@zodiacmctc.com, at least 10 days before the date of the 37th AGM, mentioning their name, demat account no. /folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the 37th AGM.
 25. **INSTRUCTIONS FOR MEMBERS ATTENDING THE 37th AGM THROUGH VC/OAVM ARE AS UNDER:**
 - i. Members will be provided with a facility to attend the 37th AGM through video conferencing platform provided by KFinTech. Members are requested to login at <https://emeetings.kfintech.com> and click on the “Video Conference” tab to join the Meeting by using the remote e-voting credentials.
 - ii. Please note that members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 26.
 - iii. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Members will need the latest version of Google Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
 - iv. Members can join the 37th AGM in the VC/OAVM mode 15 minutes before the scheduled time of commencement of the meeting by following the procedure mentioned at point (i) above, and this mode will be available throughout the proceedings of the 37th AGM.
 - v. Members who may want to express their views or ask questions may visit <https://emeetings.kfintech.com/> and click on the tab “Post Your Queries Here” to post their queries in the window provided, by mentioning their name, demat account number/ folio number, e-mail ID and mobile number. The window shall remain active during the remote e-voting period.
 - vi. In addition to the above-mentioned step, the members may register themselves as speakers for the 37th AGM to pose their queries. Accordingly, the members may visit <https://emeetings.kfintech.com/> and click on ‘Speaker Registration’ during the remote e-voting period. The Company reserves the right to restrict the speakers at the 37th AGM to only those Members who have registered themselves, depending on the availability of time for the 37th AGM.
 - vii. Members will be required to grant access to the web-cam to enable a two-way video conferencing.
 - viii. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM at <https://evoting.kfintech.com/instapoll>. E-voting during the AGM is integrated with the VC/OAVM platform. Members may click on the voting icon (“Thumb sign”) on the left side of the screen to cast their votes.
 - ix. In case of any query and/or help, in respect of attending 37th AGM through VC/OAVM mode, members may refer to the Help & Frequently Asked Questions (FAQs) and ‘AGM VC/OAVM’ user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Shyam Kumar, KFinTech at Selenium Tower B, Plot 31&32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032, Telangana. or at the email ID evoting@kfintech.com or call KFinTech’s toll free No.: 1800-309-4001 for any further clarifications.
 26. **Voting Instructions:**
 - i. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules 2015 and Regulation

- 44 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 the Resolutions proposed at the 37th AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the 37th AGM) and through e-voting during the 37th AGM, for which purpose the Company has engaged the services of KFintech to facilitate remote e-voting.
- ii. Please note that the Members can opt for only one mode of voting i.e. e-voting during the meeting or remote e-voting. If members opt for remote e-voting, then they should not e-vote at the meeting and vice versa. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the meeting and participate in the meeting, but shall not be entitled to cast their vote again.
 - iii. The Board of directors have appointed Mr. B. Narasimhan, Proprietor B.N. & Associates, a Practising Company Secretary as the Scrutinizer for conducting the Remote e-voting process and e-voting at the 37th AGM in a fair and transparent manner. The Scrutinizer's decision on the validity of the votes shall be final.
 - iv. Voting rights will be reckoned on the paid-up value of the shares registered in the name of the Members as on 20th September, 2021 being the cut-off date. Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the 37th AGM.
 - v. The particulars as required by Rule 20 of the Companies (Management and Administration) Rules, 2014 shall be published through an advertisement in the following newspapers: (i) Business Standard and (ii) Lokmat.
 - vi. The Scrutinizer will submit his report to the Chairman/ Managing Director after the completion of scrutiny, and the result of the voting will be announced by the Chairman/Managing Director or Company Secretary of the Company duly authorized, on or before 1st October, 2021 at the registered office of the Company and will also be displayed on the Company's website (www.zodiaconline.com) and on the website of KFintech (<https://evoting.kfintech.com>) immediately after the results are declared. The Company shall simultaneously forward the results to BSE Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Zodiac Clothing Company Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at <https://evoting.kfintech.com>. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

The instructions for e-voting are as under:

- A. In case a Member receiving an email of the 37th AGM Notice from KFintech [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - ii. Enter the login credentials (i.e., User ID and password). Event No. followed by Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, Click on "LOGIN".
 - xiii. In case a person has become a member of the Company after the electronic dispatch of AGM Notice but on or before the cut-off date i.e. 20th September, 2021, he/ she may write to the KFintech on the email Id: <https://evoting.kfintech.com> or to Mr. Shyam Kumar, toll free no. 1-800-309-4001, at [Unit: Zodiac Clothing Company Limited] KFin Technologies Pvt. Ltd, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad - 500 032 Telangana, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

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

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

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

Type of shareholder/s	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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 If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

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

- B. In case of Members who have not registered their e-mail address (including Members holding shares in physical form), please follow the steps for registration of e-mail address and obtaining User ID and Password for e-voting as mentioned in Note No. 11 of the “Notes” section above.
- i) User ID and initial password are provided in a separate e-voting communication, being sent along with the Notice of 37th AGM and Annual Report.
 - ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. **The e-voting period commences on Saturday, 25th September, 2021 at 10:00 A.M. and ends on Tuesday, 28th September, 2021, at 5:00 P.M.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being **Monday, 20th September, 2021**, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote again at the meeting.
- D. In case of any query or grievance pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.kfintech.com> (KFintech's website) or Contact: Mr. Shyam Kumar
- KFin Technologies Pvt. Ltd
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Email: <https://evoting.kfintech.com>,
Toll Free No.: 1-800-309-4001
- E. Voting at the 37th AGM will be through electronic voting system. The Scrutinizer shall after scrutinizing the votes cast at the 37th AGM and through remote e-voting, make a Consolidated Scrutinizers Report and submit the same to the Chairman/Managing Director of the Company and not later than 48 hours after the conclusion of the 37th AGM.
- F. The Results declared along with the Consolidated Scrutinizers Report shall be placed on the Company's website www.zodiaconline.com and on the website of KFintech i.e. <https://evoting.kfintech.com>. The results shall simultaneously be communicated to the BSE Ltd and National Stock Exchange of India Ltd., where the Company's shares are listed.
- G. The resolution/s shall be deemed to be passed on the date of the 37th AGM, subject to receipt of sufficient votes in favour of the resolution/s through a compilation of voting results (i.e. remote e-voting and electronic voting held at the 37th AGM).
27. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the 37th AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the 37th AGM. Since the 37th AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

By Order of the Board of Directors
For **ZODIAC CLOTHING COMPANY LIMITED**

KUMAR IYER
G.M. Legal & Company Secretary
Membership No. – A9600

Date: 30th June, 2021
Place: Mumbai

Registered Office:
Nyloc House, 254,
D-2, Dr. Annie Besant Road,
Worli, Mumbai -400 030.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT
(Pursuant to section 102 of the Companies Act, 2013)**

ITEM NO. 3

Pursuant to Section 188 of the Companies Act, 2013 (“the Act”), read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board (which expression shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolutions) and prior approval of the members by an ordinary resolution in case certain related party transaction/s exceed such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions entered into by Zodiac Clothing Company Ltd. (“Company”) in its ordinary course of business and on an arms length basis. However pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), approval of the shareholders through an ordinary resolution is required for all ‘material related party transactions’, even if they are entered into the ordinary course of business and on an arms length basis. For this purpose, a related party transaction shall be considered ‘material’ if the transaction/s to be entered into individually or taken together with previous transaction/s during a financial year exceeds 10 (ten) percent of the annual consolidated turnover as per the last audited financial statements of the Company i.e. FY 2020-21.

The Company is engaged in the business of manufacture, retail, export of clothing and accessories. Generally the company’s exports are on FOB terms only, however to ensure stability of supplies, logistics and to meet the requirements of some of the company’s customers in the European Union (EU) and the United Kingdom (UK) territory who do not want to undertake the hassles of import clearance and accordingly insist on just in time landed delivery/ies to their warehouses or stores, the Company supplies the goods to Zodiac Metropolitan Clothing GMBH (“ZMC GMBH”) and invoices them for the same including for reimbursement of freight and insurance paid by the Company. In cases where goods are supplied by the Company directly to the customers sourced and referred to by ZMC GMBH, the Company is required to pay a commission of 7.5% on the FOB value of the invoice to ZMC GMBH. Both the said transactions of the Company with ZMC GMBH are long term in nature and shall help the company in supplying and servicing to new export customers and markets in Europe and UK hence the same are necessary, normal and incidental to the Company’s business and play a significant role in the Company’s export business operations and are generally in the ordinary course of business and on arm’s length basis with reference to similar transactions undertaken with unrelated parties. The said transactions of the Company with ZMC GMBH will also be tested under the Indian Transfer Pricing Regulation of the Income Tax Act, 1961.

Taking into account the current market trends it is expected that the Company’s material related party transactions with ZMC GMBH during the FY 2021-22 and the two successive financial years i.e. 2022-23 & 2023-24 is expected to exceed 10 (ten) percent or more of the annual consolidated turnover as per the last audited financial statements (i.e. FY 2020-21) of the Company being the materiality threshold as prescribed under Explanation to the Regulation 23(1) of the Listing Regulations. Accordingly, these transactions are required to be approved by the members of the Company by way of an Ordinary Resolution. The members may also note that the said transaction/s of the Company with ZMC GMBH is in accordance with the Related Party Transaction Policy of the Company.

The other particulars pursuant to Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 are summarized below:

Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and Particulars of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
Zodiac Metropolitan Clothing GMBH (ZMC GMBH)	Mr. S. Y. Noorani Mr. A.Y. Noorani	ZMC GMBH is a company in which Mr.S.Y.Noorani and Mrs. Muna A. Noorani w/o Mr. A. Y. Noorani indirectly holds (through a holding Company) 49% and 51% respectively of the share capital.	As referred to above and as per commercial terms in line with business practices and comparable with unrelated parties	The transactions are generally in the ordinary course of business and are at arm’s length basis.

As per Regulation 23 of the SEBI Listing Regulations and read with applicable provisions of the Companies Act 2013, related parties as per regulation 2(1) (zb) are not permitted to vote to approve the resolutions set out in item no.3 of this Notice whether the related party is a related party to the aforesaid transaction or not.

The Board is of the opinion that the aforesaid Resolution set out at Item No. 3 of the accompanying Notice is in the best interest of the Company and its members and hence, commends the Resolution set out under Item No. 3 for approval by the Members of the Company.

Mr. A. Y. Noorani and Mr. S.Y. Noorani are deemed to be concerned/ interested in the above transaction, save and except the above, none of the other Directors, Key Managerial Personnel and/ or their relatives, is/ are interested or concerned, financially or otherwise in this resolution.

By Order of the Board of Directors
For **ZODIAC CLOTHING COMPANY LIMITED**

KUMAR IYER
G.M. Legal & Company Secretary
Membership No. – A9600

Date: 30th June, 2021
Place: Mumbai

Annexure A
DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE 37th ANNUAL GENERAL MEETING

Particulars	Mr. S. Y. Noorani
Date of Birth	15-03-1963
Date of Appointment	14-05-1993
Director Identification Number	00068423
Qualification	Bachelor of Commerce
Expertise in specific functional areas	Industrialist with expertise in setting up and upgradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.
Directorship held in other Public Companies	None
Membership/Chairmanships of Audit and Stakeholders' Relationship Committee in other Public Companies	None
Number of shares held in the Company (As on 31st March, 2021)	26,81,344 Equity Shares of ₹10/- Each
Relationship with Directors	Brother of Mr. A. Y. Noorani
Number of Meetings of the Board attended during the year	4

ZODIAC

ZODIAC The mark of a perfectionist

ZODIAC CLOTHING COMPANY LTD.
37th ANNUAL REPORT 2020-2021



Mohamed Yusuf Noorani

24.05.1930 – 20.11.2019

Founder & Chairman Zodiac Clothing Co. Ltd.

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B O A R D O F D I R E C T O R S

Mr. A. Y. Noorani

Chairman

Mr. V. M. Apte

Mr. Bernhard Steinruecke

Ms. Elizabeth Jane Hulse

Mr. S. R. Iyer

Mr. Y. P. Trivedi

Dr. Naushad Forbes

Mr. S. Y. Noorani

Vice Chairman & Managing Director

REGISTERED OFFICE

Nyloc House, 254, D-2,
Dr. Annie Besant Road,
Worli, Mumbai - 400 030
Tel : 022-66677000
Fax : 022-66677279

CHIEF FINANCIAL OFFICER

Mr. B. Mahabala

COMPANY SECRETARY

Mr. Kumar Iyer

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP
8th Floor, Nesco Complex, Gate No. 3,
Western Express Highway, Goregaon (East),
Mumbai – 400 063

FACTORIES

- Yelahanka,
Bangalore - 560 063.
- Koramangala,
Bangalore - 560 099.
- Bommasandra
Bangalore - 560 099.
- A-1, 181 / 1, GIDC, Umbergaon,
Valsad, Gujarat - 396 171.
- C-2 / 7, GIDC Industrial Area, Umbergaon,
Valsad, Gujarat - 396 171.
- Plot No. 411, GIDC, Umbergaon,
Valsad, Gujarat - 396 171.
- A to Z Industrial Premises Co-op. Soc. Ltd.,
Lower Parel, Mumbai - 400 013

SOLICITORS

AZB & Partners
AZB House, Peninsula Corporate Park,
Lower Parel, Mumbai - 400 013

A.H. Parpia & Co.
203 / 204 Prabhat House, 2nd Floor,
92, S.V. Road, Khar (W), Mumbai - 400 052

REGISTRAR & TRANSFER AGENTS OFFICE

KFin Technologies Private Limited,
Selenium Tower B, Plot 31 & 32,
Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana
Email id: einward.ris@kfintech.com
Toll Free Number: 1-800-309-4001
Website: www.kfintech.com

BANKERS

HDFC Bank Limited
Trade World, A Wing,
Kamala Mills Compound,
Lower Parel, Mumbai - 400 013.

RBL Bank Limited
One Indiabulls Centre,
Tower 2B, 6th Floor,
841, Senapati Bapat Marg,
Lower Parel West, Mumbai – 400 013

SUBSIDIARIES

- Zodiac Clothing Co. S.A.
- Zodiac Clothing Co. (U.A.E.) LLC
- Zodiac Clothing Bangladesh Limited
- Zodiac Clothing Company INC
(w.e.f. 11th May, 2021)

DIRECTORS' BIOGRAPHIES



Mr. A. Y. Noorani

Chairman

Mr. A.Y. Noorani joined the House of Zodiac in 1968 and after successfully developing its export business and scaling up its overall operations. He was the Managing Director of the Company from 1st March 1994 till 28th February 2017. He completed the Advance Management Programme at Harvard Business School, Boston, and continues to oversee, corporate affairs and finance functions of the Company. Mr. A.Y. Noorani is the Past President of the Indo-German Chamber of Commerce and is presently on the Managing Committee of the Chamber and a member of the Indo-German Consultative Group. He was a member of the Managing Committee of the Apparel Export Promotion Council, the Bombay Chamber of Commerce & Industry, the Clothing Manufacturers' Association of India, member of the Board of Governors of the National Institute of Fashion Technology and member of the Steering Group on Investment and Growth in the Textile Industry. He is also director in the subsidiary companies of Zodiac Group. He was also Director of Indian Oil Corporation.



Mr. V. M. Apte

Director

Mr. Vaman Apte is the Chairman of Dr. Writers Food Products Private Limited and a consultant at Plastocrafts Industries Private Limited and has a rich and varied business experience. He received his Bachelors degree in Arts from Ruia College. He has also been associated with cricket and squash, captained a few teams and won various national awards. He was a former member of the Managing Committee of Willingdon Sports Club, executive committee member of the Cricket Club of India, executive Committee Member Squash Rackets Federation of India and Chairman of Squash Rackets Association of Maharashtra.



Mr. Bernhard Steinruecke

Director

Mr. Bernhard Steinruecke was the Director General of The Indo-German Chamber of Commerce. He was the Managing Partner on the Board of ABC Bank GmbH, Berlin and representative of the Indo-German Chamber of Commerce, Berlin, Germany. After acquiring an Honours degree in Law from the University of Heidelberg, he became the Assistant Judge at the Supreme Court of Hamburg. He later on joined the Deutsche Bank AG and rose to become its Joint Chief Executive Officer, India. He is currently a Director of HDFC ERGO General Insurance Company Limited and Nuernbergmesse India Private Limited.



Mr. S. R. Iyer

Director

Mr. S.R. Iyer retired as Managing Director of the State Bank of India and was also the Managing Director of State Bank of Mysore. He was the former Chairman and Director of the Credit Information Bureau (India) Limited and the Director of the National Stock Exchange of India Ltd. and GE Capital Business Process Management Services Pvt. Ltd. He has vast knowledge and rich experience in banking. He is presently Chairman of Waterfield Advisors Private Limited, Waterfield Financial and Investment Advisors Private Limited and Infrastructure Finance Credit Committee of Aditya Birla Finance Limited and Director of P N Writer and Company Private Limited, Writer Lifestyle Private Limited, Writer Safeguard Private Limited, Writer Business Services Private Limited.



Ms. Elizabeth Jane Hulse

Director

Ms. Elizabeth Jane Hulse has a BA (Hons) Degree in Textiles, and over four decades of varied experience in the clothing industry in the UK. She is well-versed in textile designing, fabric sourcing and purchasing, Brand and Product Management and Buying. She has worked with reputed clothing companies and retailers such as British Van Heusen, Tootal Menswear and the Burton Group, and was Head of a highly successful UK operation for Zodiac for over a decade.



Mr. Y. P. Trivedi

Director

Mr. Y. P. Trivedi, Ex-member of Rajya Sabha, was the former President of Indian Merchants Chamber, The Chamber of Income Tax Consultants, Indo-African Chamber of Commerce and is a member of the Managing Committee of Indian Merchants' Chamber. He has also served as a Director of Central Bank of India, Dena Bank, Central Bank Executors and Trustee Company Limited and Reliance Industries Limited. He is currently the Chairman of Sai Service Private Ltd., and Director of The Supreme Industries Limited, Emami Limited, Federation of Indian Automobile Association.



Dr. Naushad Forbes

Director

Dr. Naushad Forbes is the Co - Chairman of Forbes Marshall, India's leading Steam Engineering and Control Instrumentation firm. He chairs the Steam Engineering Companies within the group. Dr. Naushad was an occasional Lecturer and Consulting Professor at Stanford University from 1987 to 2004 where he developed courses on Technology in Newly Industrializing Countries. He received his Bachelors, Masters and PhD Degrees from Stanford University He is on the Board of several educational institutions and public companies. Presently he is a chairman of center for Technology Innovation and Economic Research in Pune.He has long been an active member of CII and has at various times chaired the National Committees on Higher Education , Innovation, Technology, and International Business He was President of CII for 2016 – 17. He is currently a Director on the Board of Bajaj Holdings & Investment Limited, Bajaj Finserv Limited,Bajaj Finance Limited, Bajaj Auto Limited, Forbes Marshall (HYD) Private Limited, Forbes Marshall Private Limited, J N Marshall Private Limited, Forbes Marshall Arca Private Limited, Forbesvyncke Private Limited, Krohne Marshall Pvt Ltd, Forbes Solar Private Limited and Ctier Impact Forum.



Mr. S. Y. Noorani

Vice Chairman & Managing Director

Mr. S. Y. Noorani joined the House of Zodiac in 1982. He is responsible for setting up the company's state-of-the-art of manufacturing facilities and international marketing operations in London, Dusseldorf and New York. He oversees the management of the Company and leads a dynamic team of professionals in the running of the Company ranging from design and manufacturing to sales and marketing which has successfully launched the brand ZOD! and Z3 in the Indian market. Mr. S. Y. Noorani has also served on the Managing Committees of Indo- Italian Chamber of Commerce as well as CMAI. He was a member of the Regional Council of CII [Western Region]. Presently he is a Member of National Council of CII & Co- Chairman of Apparel Committee of CII.

CHAIRMAN'S STATEMENT



I sincerely hope that all of you, and your families, are safe and well.

We are finally starting to see a decline in active cases and a gradual increase in vaccinations in India. The pandemic has been one of the most horrifying times we have seen. FY21 was a year that defied normalcy. The COVID-19 pandemic upended the world and caused unprecedented disruption in more ways than one could have imagined. And yet, this year will define, for many years to come, the strength of our collective will. This saw us through a most challenging year, and one hopes the future will show us tranquility and happy times and relief from difficulty.

The shock and suddenness of the national lockdown which compelled us to work remotely, called for a reorientation of mindsets, systems and processes.

History will record the year as one of the greatest tests of courage, resilience and compassion. One falls short of words to adequately express gratitude to all the healthcare and frontline workers. One also has to appreciate the wonders of technology that kept a socially distanced world connected, and marvel at the progress of science and medicine, which brought vaccines to the world in the shortest time ever .

The Indian economy, which was firmly on the path of recovery in the second half of FY21, has been hit again in recent months by a rather traumatic and virulent second wave of Covid-19. It has caused a severe strain on healthcare facilities, with high morbidity in many parts of country, leading to localised lockdowns and a fall in mobility to levels seen a year ago. The double-digit GDP growth expectations for India in FY22 have had to be pared back.

Like most countries in the world, India also faced its share of headwinds during 2020-21. The GDP numbers plummeted in Q1 of FY 2020-21 to minus 24% on account of strict lockdowns the government was forced to impose to curb the spread of the virus. There were mobility restrictions, disruption in sales, distribution and supply chain, reverse migration of labour force and shifts in consumer behaviour towards essential categories. With gradual unlocking of the economy, Q2 FY 2020-21 saw sequential recovery, albeit the GDP growth rate remained in the negative on account of declines in construction activity and non-essentials like travel, entertainment, retail and hospitality. The Indian economy returned to growth in Q3 of FY 2020-21 on account of pent-up demand, festive spending, and a jump in government expenditure. The big surprise in terms of the sectors of production was the healthy expansion in financial, real estate and professional services(+6.6%), and construction (+6.2%).

During Q4 the GDP reported growth of 1.6% and was visibly on the path to recovery when the second wave of COVID-19 came like bolt from the blue, and put a shadow on economic growth that is likely to impact the GDP growth going forward.

In response to the pandemic, Government and Central Banks across the world reacted by introducing a wide range of measures to revive the economy and help people move forward.

The Indian domestic textile and clothing market was estimated at US\$ 75 billion in 2020-21, having fallen 30% from US\$ 106 billion in 2019-20. The market is expected to recover and grow at 10% CAGR to reach US\$ 190 billion by 2025-26. Clothing constitutes 73% share of the total T&C market in India. In the last decade, the Indian market performed better than the largest consumption regions such as US, EU and Japan. where depressed economic conditions led to lower demand growth. Indian clothing business has grown at a robust CAGR of 8% since 2010, though almost entirely at the bottom of the pyramid.

India's exports of T&C are expected to grow to US\$ 65 billion by 2025-26, growing at a CAGR of 11%. India's T&C imports were US\$ 8.6 billion in 2019-20. However, they are expected to have declined by around 35% to reach US\$ 5.6 billion in 2020-21. The imports of T&C are expected to resume growth at a CAGR of approx. 10% to reach US\$ 15.2 billion by 2025-26.

The operating results of the Company have been affected, in a year that presented several challenges especially in the MBO and retail segment of the Company's business., as well as the international business which was additionally affected by widespread disruption and opportunism by overseas buyers,The consumer sentiment was lacklustre, across channels, with possibly the exception of our webstore. During the year, the Company apart from initiating several efforts to expedite the growth of its online business, has also, besides closing down unviable stores, continued to move from fixed cost to variable cost in respect of several of its heads of expenses wherever possible, and moving to an asset light model. This aided the Company in reducing a large part of its fixed expenses (as witnessed in FY 21) and bringing down its losses substantially, which benefit would continue to serve us handsomely in the future as well-especially when consumer demand returns and the topline rises.

The Company's exports during the year declined due to the slowdown in the global demand, reduction in reimbursement of duties and competition from low cost countries and countries which were less severely affected by the pandemic

Gratefully, disruptions to production and supply chains have been far less severe during the second wave than during the first wave although international freight levels have gone through the roof.Vaccination is expected to gain pace in the coming months, which would support containment of the pandemic and morbidity, normalisation of mobility levels and of related economic activities. Continued

accommodative monetary policy of the RBI and the expected increase in capex from the Government will be the other supporting factors, helping to steer the economy through this difficult phase.

Quite in contrast to the near-term challenges, the longer-term prospects for the Indian economy continue to be robust. Various initiatives, including privatisation of public sector enterprises, monetisation of assets, implementation of national infrastructure pipeline, targeted investment incentives through the Production-Linked Incentives Scheme and the new Labour Code, are likely to spur a cycle of investments and growth in the medium-term.

We continue to be committed to our quality, transparency, environment friendly factories, sustainable production and community driven values, while delivering better product per rupee to the consumer, and remain as

committed as ever to the Company's goals - hopefully, our values and uncompromising principles/ ethics are appreciated by all our constituents.

For me it is a matter of pride to see the commitment and dedication that our employees displayed during this most challenging year. I am also extremely thankful to our Board members who have supported us with their trust and guidance, to all our stakeholders including customers, Government departments, suppliers and other business associates

Thank you for your support and guidance. Take care and stay safe

Mumbai

30th June, 2021

A. Y. Noorani

Chairman

WHY ZODIAC MAKES THE BEST SUITS

PERFECTLY BALANCED

Italian inspired, perfectly balanced jackets that do not weigh heavy on the shoulders.

HAND-STITCHED LUXURY

The lapels, half canvas lining & pockets are pick stitched while the armhole joints are hand-stitched making the suit more flexible.

CONFIDENT FIT

All our jackets are constructed with a half canvas front made from genuine horse hair which flatters the chest thereby ensuring an unmatched drape & an almost shirt like flexibility.

COROZO BUTTONS

Crafted from the nut of a tropical palm grown only in the Ecuadorian rainforest.

PURE LIGHTWEIGHT WOOL

Crafted from superfine 140's & 160's lightweight, pure wool.

BREATHABLE LINING

Only the finest "Cupro" natural fibre sourced from Bemberg is used.

Biella

LIGHTWEIGHT PURE WOOL SUITS

ZODIAC

FINEST QUALITY CLOTHING

www.zodiaconline.com

Carletti
Italian 100's

Arguably The Finest Shirt You Will Ever Own



Egyptian Giza 87 Cotton

Very fine, long-staple cotton,
grown in the Nile delta.

Rare Single 100's Count

Skilled Italian weavers & modern
technology transform this once
impossible-to-weave yarn
into a luxurious fabric.



Fine Craftsmanship

Over 6 decades of experience
transform this rare, difficult-to-sew
fabric into the lightest, airiest shirts.

Carletti

LUXURIOUS ITALIAN 100'S FABRIC

Z O D I A C

FINEST QUALITY CLOTHING

— www.zodiaconline.com —

HIGHLIGHTS (STANDALONE AND CONSOLIDATED)

₹ In Lakhs

Particulars	2020-21		2019-20	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	9,994.97	10,009.84	18,938.71	19,082.42
Other Income	3,254.49	2,740.66	1,743.68	1,213.79
Total Income	13,249.46	12,750.50	20,682.39	20,296.21
Less: Total expenses	12,356.71	12,484.54	18,116.95	18,369.25
Profit/(Loss) before finance cost, Depreciation and other exceptional item	892.75	265.96	2,565.44	1,926.96
Less: Finance cost	903.63	903.71	1,385.56	1,385.65
Profit/(Loss) before depreciation	(10.88)	(637.75)	1,179.88	541.31
Less: Depreciation	2,305.65	2,338.51	3,515.30	3,545.82
Profit / (Loss) before exceptional item	(2,316.53)	(2,976.26)	(2,335.42)	(3,004.51)
Add: Exceptional item	-	-	-	-
PROFIT / (LOSS) BEFORE TAX FOR THE YEAR	(2,316.53)	(2,976.26)	(2,335.42)	(3,004.51)
Tax Expense	74.33	(38.08)	(202.63)	(107.97)
PROFIT / (LOSS) AFTER TAX FOR THE YEAR	(2,390.86)	(2,938.18)	(2,132.79)	(2,896.54)
Add: Balance brought forward from the last year	9,555.23	12,296.64	12,266.16	15,771.32
Add / Less: Other Comprehensive Income / (Loss) for the year	61.77	73.49	(76.35)	(76.35)
Less: Impact of Change in accounting policy (Ind AS 116)	-	-	(996.66)	(996.66)
Add: Transfer from OCI to Retained Earnings on derecognition of Equity Instruments	185.18	-	707.82	707.82
Total amount available for appropriation	7,411.32	9,431.95	9,768.18	12,509.59
Appropriations:				
Dividends	-	-	(212.95)	(212.95)
Balance in Retained Earnings	7,411.32	9,431.95	9,555.23	12,296.64

DIRECTORS' REPORT

To,
The Members,
Zodiac Clothing Company Limited.

The Board of Directors are pleased to present the Company's 37th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March 2021.

1. BUSINESS

During the financial year ended 31st March 2021, the operational revenue of the Company on a Standalone basis was ₹ 9,995 Lakhs vs. ₹ 18,938.71 Lakhs in the previous year. Profit/(Loss) Before Tax and before exceptional items was ₹ (2,317) Lakhs vs. ₹ (2,335.42) Lakhs in the previous year, while the net Profit/(Loss) after Tax for the Financial Year ended 31st March 2021 was ₹ (2,391) Lakhs vs. ₹ (2,132.79) Lakhs in the previous year. The Total Comprehensive Loss for the year was ₹ (2,198) Lakhs vs. ₹ (3,279.38) Lakhs in the previous year.

On a Consolidated basis the Operational revenue of the Company for the year decreased to ₹ 10,010 Lakhs from ₹ 19,082.42 Lakhs in the previous year. The Consolidated Profit/(Loss) before Tax and before exceptional items fell to ₹ (2,977) Lakhs vs. ₹ (3,004.51) Lakhs in the previous year, the Net Profit/(Loss) after tax being ₹ (2,938) Lakhs vs. ₹ (2,896.54) Lakhs in the previous year. The Consolidated Total Comprehensive Loss for the year was ₹ (2,797) Lakhs vs. ₹ (3,733.35) Lakhs in the previous year.

The financial year under review began amidst nation-wide lockdowns imposed by the Central Government to contain the spread of Covid-19. In view of these restrictive measures including lockdowns, our manufacturing facilities, stores and offices had to be temporarily shut down, adversely impacting the revenue and business operations of the Company. Given the said backdrop, the Company put in place business continuity plans so as to ensure adequate inventory of raw materials and finished goods and continued its focus on getting back on the recovery path, with improvement in sales through its retail outlets after re-opening and e-commerce (after courier services resumed).

In India the silver lining however has been that the disruptions to production and supply chains has been far less severe during the second wave as compared to the first wave. Also with the vaccinations picking up pace, the expectation is it will support faster normalization of mobility levels and of related economic activities. The continued accommodative monetary policy of the RBI and the exceptional increase in Capex from the Government will spur growth recovery. In addition, global growth

prospects provide Indian exporters an additional potential strong driver of growth.

During the year the Company also strengthened its balance sheet by infusing equity through a preferential issue of shares to the promoters, which is expected to help the company grow post the pandemic.

As a responsible corporate citizen with a deep sense of empathy, the Company, despite adverse business environment had taken every measure to ensure that all workers and staff were paid wages and salaries (without reduction) well on-time, significantly mitigating the adverse impact of the pandemic on the workforce.

The Indian economy contracted sharply in FY 2020-21 in the wake of the global pandemic, with GDP contracting by 7.3 per cent in FY 2020-21 as compared to a 4.0 per cent growth in FY 2019-20. In 2020 the Global economy contracted by 3.3%, the largest contraction on record since World War II. Further, as per the recent forecasts of the IMF, the US & China are expected to record a strong recovery in 2021. These two engines of growth are expected to boost demand for exports from other countries. The other two large economies EU & Japan are also expected to expand. Indian manufacturing growth contracted by 7.2 per cent in 2020-21. However, the sector showed signs of recovery in H2 2020-21 - with a contraction of 18.7 per cent in H1 2020-21 but picked up to +1.6 per cent in Q3 and +6.9 per cent in Q4. The service sector remained a laggard, with a contraction of 8.4 per cent in 2020-21. Domestic demand began to show green shoots in the second half of the year as activity resumed. Private consumption indicators such as production of consumer durables and non-durables gathered pace in Q3 along with passenger vehicle (PV) sales that turned green in H2 FY21. Encouragingly, GST collections rose to ` 1.23 trillion in March 2021, averaging ` 1.13 trillion in H2 FY21 as compared to an average collection of ` 0.76 trillion in H1 FY21.

Globally the fashion retail industry was among the most severely impacted sectors by the pandemic and the subsequent lockdowns. Your company was also affected by demand compression and supply challenges during the period. However the company used these conditions to improve its overall competitive position in the market. This was done by driving comprehensive cost reductions by converting fixed expenses to variable expenses, and also moving to an asset light model to the extent possible, aligning the product mix with consumer needs and accelerating the digital transformation journey.

In response to the pandemic, Central Banks resorted to strong supportive monetary policies in most developed economies, causing interest rates to fall

to record lows, as a consequence of which there has been a surfeit of liquidity. This has in turn led to a strong rally in prices of industrial commodities, which has also been supported by the evolving economic recovery, stimulus related demand expectations and certain supply side disruptions, which in turn has caused inflationary pressures on the cost dynamics of several manufacturing industries.

The Government and the Reserve Bank of India (RBI) announced a host of measures to cushion the direct impact of the lockdown on the economy. This helped GDP growth come off its low of -24.4 per cent in Q1 and -7.4 per cent in Q2 to +0.5 per cent in Q3 and +1.6 per cent in Q4 2020-21. The Government announced a stimulus package of ` 20 trillion in five different tranches in FY 2020-21. On the monetary policy side, the RBI also took a number of steps to provide liquidity and enhance credit flow in the system. On the policy front, it is expected that the Central Bank shall continue to keep its rates unchanged in FY 2021-22 and maintain an accommodative stance. The RBI is likely to only

gradually reduce the liquidity surplus in the system once it is confident about the prospects of growth recovery. The latest IMF forecast suggests a strong 6% growth in global GDP in 2021, however the occurrence of the second and third waves of Covid in different parts of the world and reports of virus mutations have created downside risks to the outlook of a strong growth rebound. Further the recovery remains uneven and uncertain, with the extent of fiscal support and level of vaccinations being the key differentiators of the short term economic outlook across the countries. Clothing continues to be a highly under penetrated category in India and the next fiscal shall hopefully be a race to normalcy for the clothing industry with the consumers expected to get back to shopping with renewed optimism due to pent up demand.

The advent of the “Work From Home” culture has led to a distinct change in consumer preference towards casual and sports wear. The Company is focusing on increasing its reach to Tier 2&3 cities by opening new stores under the revenue share model.

2. RESULTS OF OPERATIONS

Financial Results

(₹ in Lakhs)

	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Revenue from Operations (Net)	13,249	20,682.39	12,751	20,296.21
Profit/(Loss) Before Exceptional Items And Tax	(2,317)	(2,335.42)	(2,977)	(3,004.51)
Exceptional Item	-	-	-	-
Profit/(Loss) Before Tax	(2,317)	(2,335.42)	(2,977)	(3,004.51)
Provision for Taxation:				
Current tax	113	110	113	110.80
Deferred tax Charge/(Credit)	(35)	(337.61)	(148)	(243.75)
Tax in respect of earlier years	(4)	24.98	(4)	24.98
Profit/(loss) after taxation	(2,391)	(2,132.79)	(2,938)	(2,896.54)
Other Comprehensive Income	193	(1,146.59)	141	(836.81)
Total Comprehensive Income for the year	(2,198)	(3,279.38)	(2,797)	(3,733.35)

3. SUBSIDIARY COMPANIES

As on 31st March, 2021 the Company had three (3) subsidiaries. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached as Annexure 3 to this report.

Pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated financial statements of the Company along with relevant documents and the financial statements of the subsidiaries, are available on the website of the Company at the link <https://www.zodiaconline.com/others>.

4. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the requirements of Accounting Standards AS-21, a Report on the performance and financial position of all the 3 (three) wholly owned subsidiaries included in the Consolidated Financial Statement and their contribution to the overall performance of the Company, is provided in Form AOC - 1 and forms part of this Annual Report.

5. RATING

The Company has been advised by the rating agency that the rating process shall be done only after the accounts for the financial year 2020-21 are finalised and approved.

6. CAPEX

The Company has incurred a Capital expenditure of ₹ 131.43 Lakhs during the year, primarily in state of the art production equipment, new stores and information systems to sharpen our competitiveness.

7. LIQUIDITY

The Debt Equity ratio as on 31st March, 2021 was (0.19) on a Standalone basis and (0.17) on a Consolidated basis.

The cash and bank balances/cash equivalents along with liquid investments (free reserves – on consolidated basis) were ₹ 2343.79 Lakhs in March 2021, as against ₹ 2090.42 Lakhs last year.

8. SHARE CAPITAL

During the year under review, the paid up share capital of the Company increased from ₹ 22,47,76,770/- to ₹ 24,75,95,310/- pursuant to allotment of 22,81,854 Equity Shares of ₹ 10/- each at a premium of ₹ 99.56 per Equity Share on Preferential Basis to the Promoters of the Company in March 2021.

9. DIVIDEND & RESERVE

The Board of Directors of your Company have not recommended any dividend for the Financial year 2020-21 (previous year - NIL)

10. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements regarding Corporate Governance as required under Regulations 17 to 27 and Schedule V of the SEBI LODR. The report on Business Responsibility, Corporate Governance, Management Discussion and Analysis, as well as the Auditors Certificate on the compliance of Corporate Governance forms part of the Annual Report.

11. CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and SEBI LODR, the Company has a Policy on Related Party Transactions which is also available on Company's website at the link <https://www.zodiaconline.com/codes-and-policies>. The Policy ensures that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflict of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and prior approval and wherever applicable omnibus approvals are obtained for Related Party Transactions. A statement of the related party transactions entered to during the quarter is placed before the Audit Committee, specifying the nature and value of these transactions.

All Related Party Transactions entered during the year were in Ordinary Course of the Company's business and on an Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by the Company. Since all related party transactions entered into by the Company were in the ordinary course of the Company's business and were on an arm's length basis, the disclosure under form AOC-2 is not applicable. However, the Directors draw attention of the members to Note no. 44 to the Standalone financial statements which sets out relevant disclosures on transactions with related parties.

12. QUALITY

The focus on productivity gains and consistent quality continues to be the cornerstone of the Company's philosophy. Quality, continuous innovation and pursuit of high value addition and cost control continue to drive the Company.

13. BRAND BUILDING

The Company continues to invest in building the strength of its 3 brands (Zodiac, Z3 and ZOD!), aspiring to get traction in sales in the present, as well as in the future.

Upgradation of quality to win customer loyalty is a continuously ongoing exercise, the objective being to get the customers delight at the price value relationship, which is truly international quality and design at prices which are not exorbitant, even without any discounts.

14. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

(A) Conservation of Energy

The Company having already achieved excellent bench marks in conservation of energy, has invested in steam optimization projects for its process requirements, which has resulted in a drop in the consumption and the efficiency is going up.

The other focus areas have been to monitor the energy consumption on the shop floor using energy meters to be able to analyze, understand and fine tune efficiencies, use of translucent roofing panels in laundries thereby negating the requirement of artificial lighting during the day time, use of motion sensor activated lights in common areas resulting in low electricity consumption when there is no movement in line with the Company's philosophy of energy conservation.

As a result of the Company's policy to continuously upgrade, sustain and improve, the Company has managed to live up to the stringent standards set in trying times and has got the best Higg score so far i.e. 100 on the following evaluation parameters water/waste water /energy -which in itself speaks for our commitment towards conservation.

The Company has by using aggressive cost reduction measures and energy efficient equipment, reduced the electrical consumption by nearly 25% over the last 7 years, inspite of the demand on processing and value addition increasing in line with the trend in fashion.

(B) Pollution Control

The Company's zero liquid discharge plant for water treatment has resulted in the Company's dependency on outside water to almost nil. Also with improved processing techniques, the water consumption has reduced by more than 60% resulting in a good HIGGS score.

The Company's continued emphasis and training programs has helped the workers to conserve water

not only at the work area but also at their homes, resulting in savings on the shop floor.

With the increase in the catchment area for rain water harvesting, the surplus water generated is used to recharge the existing ground water sources and for maintaining the beautiful garden and flowering plants around the factory premises thereby creating a very pleasant atmosphere. The Company's continuous efforts have been recognized by the Pollution Control Board and the Company is being referred as a model factory by the Pollution Control Board.

It is the Company's continuous thrust in this area that has resulted in results which far exceed the industry norm. As a result of aggressively mapping the input parameters /processes & live balancing of the effluent treatment, the Company has been able to achieve a high level of efficiency whereby the quality of the RO reject is better than the standards set for permeate water. The company is further investing in mapping water consumption, department-wise in the shop floors & arriving at the best methods and practices for further conservation. The drive towards becoming better at every step continues unabated. The treatment plant and its efficiencies continue to be a bench mark and continues to inspire with the outstanding results .

With its energy-efficient design, the ZODIAC corporate office continues to use around 60 percent less energy than a typical office of the same size.

(C) Technology, Absorption, Adaptations and Innovation:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

(D) Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Foreign exchange used and earned		2020-21	2019-20
a.	Foreign Exchange Earnings	6,447	10,432
b.	Foreign Exchange Outgo	1,454	3,350

15. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is traditionally driven by a moral obligation and philanthropic spirit. The Company has a heritage of being engaged in such activities. The Company is committed to sustainability and all business decisions take in to account its social and environmental impact.

As per the provisions of Section 135 of the Companies Act 2013, the Company has a CSR Committee, details of which are given in the Corporate Governance Report forming part of this report. The details of the Company's CSR policy has been posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

The Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014 including a brief outline of the Company's CSR Policy, total amount to be spent under CSR for the Financial Year, amount unspent and the reasons thereof are set out at Annexure 1 forming part of the report.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. S. Y. Noorani, Vice Chairman and Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

List of Key Managerial Personnel

Sr. No	Name of the person	Designation
1.	Mr. S. Y. Noorani	Vice Chairman & Managing Director
2.	Mr. B. Mahabala	V. P. Commercial & Chief Financial Officer
3.	Mr. Kumar Iyer	G. M. Legal & Company Secretary

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act.

The Company has a policy for performance evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of the Non- Executive and Executive Directors.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as Board Composition and structure, effectiveness of Board processes, information and functioning etc. The Committees were evaluated by the Nomination and Remuneration Committee ("NRC") after seeking inputs from the Committee Members on the basis of criteria such as composition of the Committees, effectiveness of the Committee meetings, etc.

The Board and the NRC reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to

the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Independent Directors.

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

17. NUMBER OF MEETINGS OF THE BOARD:

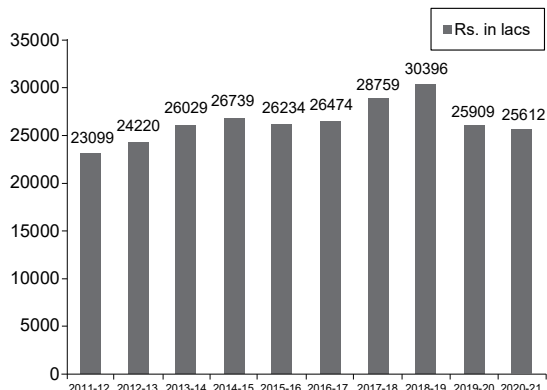
Four Meetings of the Board were held during the year, the details of which are provided in the Corporate Governance report, which forms part of this report.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

- (i) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit and loss of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NET WORTH – CONSOLIDATED



19. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

The Company's plants, retail stores and offices were shut down consequent to nationwide lockdown announced by the Government of India in March 2020 due to COVID 19 pandemic and with the easing of restrictions, the Company's plants, retail stores and offices have commenced the operations. However, since the lockdown continued for most part of the first and second quarters coupled with low market demand, the financials of the Company have been significantly impacted. Considering the current situation, there are no material adjustments required to the carrying value of assets and liabilities as at 30th June, 2021 and the Company will continue to monitor the changes for any material impact as the situation evolves.

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Board Diversity provides for an appropriate mix of diversity, skills, experience and expertise required on the Board and assesses the extent to which the required skills are represented on the Board including the criteria for determining qualifications, positive attributes and independence of a Director.

The Company has a Remuneration Policy to evaluate the performance of the members of the Board, to ensure remuneration to Directors, KMP and Senior Management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors,

KMP and Senior Management of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The Independent Directors have to comply with the requirements of the Companies Act, 2013 and Regulation 16 (b) of SEBI LODR on the independence of the Directors. The Company has obtained certification of independence from the Independent Directors in accordance with Section 149(6) of the Companies Act, 2013.

The remuneration details of the Executive and Non-Executive Directors is disclosed in the Corporate Governance report which forms part of the Directors Report. The above policy has been posted on the website of the Company at the link <https://www.zodiaconline.com/codes-and-policies>.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans and investments have been disclosed in the financial statements. The Company has not given any guarantees.

22. HUMAN RESOURCE MANAGEMENT:

The Company recognizes the need for continuous growth and development of its employees to meet the challenges posed by the industry, besides fulfilling their own career path objectives. Consequently the role of Human Resources continues to remain vital and strategic to the Company. Employee recruitment, training and development are a key focus area, with policies, processes and extensive use of technology to attract, retain and build on skills of high calibre employees. Industrial relations have continued to be harmonious throughout the year

23. COMPLIANCE WITH THE CODE OF CONDUCT

The Code of Conduct adopted by the Company for its Board of Directors and Senior Management Personnel has been uploaded on the Company's website at the link <https://www.zodiaconline.com/codes-and-policies>.

The Declaration of the Compliance with the Code of Conduct has been received from all Board members and Senior Managerial Personnel. A certificate to this effect from Mr. S. Y. Noorani, Vice Chairman & Managing Director forms part of this report.

24. FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Public under Section 73 of the Companies Act, 2013.

25. COMPANY'S WEBSITE

The Financial Statements, Annual Report, including Corporate Governance Report, Shareholding Pattern, etc., are displayed inter-se with the other information on the Company's website, viz. www.zodiaconline.com.

26. DONATIONS

During the financial year, the Company has, besides CSR, contributed ₹ 15,05,000/- (Rupees Fifteen Lakhs and Five Thousand only) to various deserving causes.

27. INSURANCE

All the properties/assets, including buildings, furniture/fixtures, etc. and insurable interests of the Company are adequately insured. The international debtors who avail of credit are also insured, despite their flawless record, as a measure of abundant caution.

28. AUDITORS

The Auditors, M/s. Price Waterhouse, Chartered Accountants, LLP (FRN 012754N/N500016) who are the Statutory Auditors of the Company hold office up to the 38th Annual General Meeting.

As per the circular issued by the Ministry of Corporate Affairs dated 3rd January 2018, effective from 7th May, 2018 the provision for ratification of the appointment of the Statutory Auditors at every Annual General Meeting has been omitted. As such the item ratifying the appointment of M/s. Price Waterhouse, Chartered Accountants is not included in the Notice of the 37th Annual General Meeting.

The Auditors' Report to the members for the year under review does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors have not reported any fraud to the Company required to be disclosed under Section 143(12) of the Act.

29. COST AUDITOR:

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is not covered under the purview of Cost Audit from the F. Y. 2014-15 onwards.

30. SECRETARIAL AUDIT:

As per Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s. Robert Pavrey & Associates, Company Secretaries (CP No- 2928) to undertake the Secretarial Audit of the Company. The Secretarial Audit report is included as Annexure 2 and forms an integral part

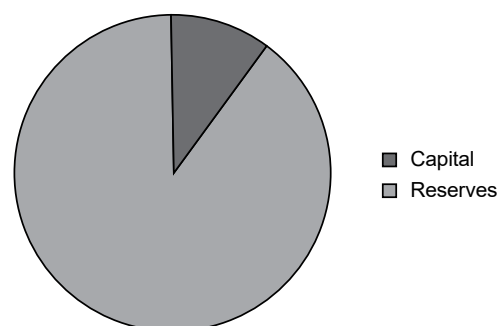
of this report.

The Secretarial Audit Report to the members for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

31. AUDIT COMMITTEE:

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

32. DETAILS OF SHAREHOLDERS' FUNDS EMPLOYED FOR THE YEAR 2020-21 CONSOLIDATED:



33. RISK MANAGEMENT

In line with the regulatory requirements, the Company has a Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. The Risk Management Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

34. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. M J Mange & Associates. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The

Company has a robust management information system, which is an integral part of the control mechanism.

The Audit Committee members, Statutory Auditors and the Business Heads are periodically apprised of the Internal Audit findings and corrective action taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

35. ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti Sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & the Rules made thereunder. Internal Complaints Committee (ICC) has been set up to redress Complaints received regarding sexual harassment. All employees, permanent, contractual, temporary and trainees are covered under the policy. During the year under review, there were no complaints received under the said Act.

36. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is uploaded on the website of the Company at the link <https://www.zodiaconline.com/annual-reports>.

37. SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meeting.

38. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The details pertaining to the establishment of Vigil Mechanism/ Whistle Blower Policy is included in the Corporate Governance Report, which forms part of this report.

39. INVESTOR EDUCATION AND PROTECTION FUND

As per the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends and the respective shares thereof for the Financial Year upto 2012-13 have been transferred to the IEPF established by the Central Government within the stipulated time.

40. STATEMENT OF DEVIATIONS OR VARIATIONS

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, below is the Statement of Deviation or Variation for the year ended 31st March, 2021:-

a. Deviation in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for general meeting.

There is no deviation in the use of proceeds from the objects stated in the explanatory statement to the notice for the 36th General Meeting.

b. Category wise variation:

There is no variation as the application money raised through preferential allotment of Equity Shares was ₹24.99 Crores till 31st March, 2021 and the Company has fully utilized the amount i.e. ₹24.99 for the objects stated in the explanatory statement to the notice for the 36th General Meeting.

41. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2020-21:

Non-executive directors*	Ratio to median remuneration
Mr. A. Y. Noorani	-
Mr. V. M. Apte	-
Mr. Y. P. Trivedi	-
Mr. S. R. Iyer	-
Dr. Naushad Forbes	-
Mr. Bernhard Steinruecke	-
Ms. Elizabeth Jane Hulse	-

*Note:

The Chairman is not paid any remuneration nor sitting fees for attending Board and Committee Meetings. The Non-Executive Directors of the Company are paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report and are not entitled to any other remuneration.

Executive Director	Ratio to median remuneration
Mr. S. Y. Noorani	-

Note:

The ratio to median remuneration is nil for the F.Y. 2020-21 as Mr. S. Y. Noorani has voluntarily agreed to not receive remuneration.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year:

Directors, Chief Financial Officer and Company Secretary*	% Increase in remuneration in the financial year
Mr. V. M. Apte	-
Mr. Y. P. Trivedi	-
Mr. S. R. Iyer	-
Dr. Naushad Forbes	-
Mr. Bernhard Steinruecke	-
Ms. Elizabeth Jane Hulse	-
Mr. A.Y. Noorani	-
Mr. S.Y. Noorani	-
Mr. B. Mahabala (CFO)	-
Mr. Kumar Iyer (CS)	-

Note:

*The Chairman & Vice Chairman are not paid any remuneration nor sitting fees for attending Board and Committee Meetings. The Non-Executive Directors of the Company are paid only Sitting Fees for attending the Board and Committee Meetings of the Company, details of which are given in the Corporate Governance Report and are not entitled to any other remuneration.

- c. The percentage increase in the median remuneration of employees in the financial year: 1.99% (as the median employee is a piece rated worker)
- d. The number of permanent employees on the rolls of Company: 1173 (as on 31st March 2021)
- e. The 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 has been no increase in the salaries of employees other than the managerial personnel during the FY 2020-21.
- f. The key parameters for any variable component of remuneration availed by the Directors: During the Financial Year 2020 – 21 no performance linked bonus or any other variable component of remuneration has been paid to the Executive Director of the Company.
- g. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company
- h. Information of top 10 employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2021 is given below

Sr. No	Name	Date of Birth	Designation	Remuneration* (₹)	Nature of Employment	Qualification and Experience	Date of joining	Last Employment	Percentage of Equity Shares held	Relative of any Director/ Manager of the Company
1	Salman Yusuf Noorani	15-03-1963	Vice Chairman and Managing Director	Nil	Contractual	B.com/39 years	01-03-1994	-	10.83	Brother of Mr. A.Y. Noorani, Chairman & Non Executive Director
2	Awais Noorani	07-10-1975	VP – International Sales & Sourcing	47,20,644	Permanent	B.Com, MBA from IMD Switzerland/26 years	01-12-2002	-	0.00	Son of Mr. A.Y. Noorani, Chairman and nephew of Mr. S. Y. Noorani, Vice Chairman and Managing Director
3	Behroze Daruwala	04-09-1950	VP – Fabrics & Merchandising	46,79,997	Permanent	B.A./ 49 years	30-05-1972	-	0.12	-
4	Imraan Surve	11-10-1968	VP-Marketing Zod, LFS & Z3	45,31,200	Permanent	B.A. (Hons.) Economics/ 29 years	18-12-2001	Contract Advertising Pvt. Ltd.	0.02	-
5	B Mahabala	07-11-1951	V.P.Commercial & C.F.O	45,83,164	Permanent	M.com, MBA & Diploma in Cost & Management Accountancy/48 years	15-06-1984	Vulcan Engineers Limited	0.06	-

Sr. No	Name	Date of Birth	Designation	Remuneration* (₹)	Nature of Employment	Qualification and Experience	Date of joining	Last Employment	Percentage of Equity Shares held	Relative of any Director/ Manager of the Company
6	Rajendra Shenoy B	15-06-1965	GM Manufacturing	33,36,114	Permanent	B.Com, M. Com & L.L.B./28 years	16-10-2002	Arvind Mills Limited	0.00	-
7	Anand Pisharody	19-10-1957	VP - Manufacturing	33,19,545	Permanent	B.A./ 42 years	02-05-1986	Indian Molasses Company Limited	0.00	-
8	Vikram Puri	29-06-1976	Senior Product Manager	31,86,847	Permanent	B.Sc Physics/25 years	07-05-2002	Cotton Club Inc.	0.00	-
9	Vishal Chadha	17-11-1964	GM – Sales MBO	31,08,758	Permanent	B.A./ 32 years	22-07-2004	Johnson & Johnson Private Limited	0.01	-
10	Kumar Iyer	11-06-1964	GM Legal & Company Secretary	30,02,211	Permanent	M. Com, ACS/ 37 years	15-05-2014	Advani Hotels & Resorts (India) Limited	0.00	-
11	Nafees Azam	07-04-1960	GM – Sales (Retail)	28,26,849	Permanent	B.Com./ 36 years	21-05-2004	Geep Industrial Syndicate Limited	-	-

Disclosure Requirements:

As per SEBI LODR, the Corporate Governance Report with the Auditors' Certificate thereon and Management Discussion and Analysis are attached and the same forms a part of this report.

42. ACKNOWLEDEMENTS

The Directors are grateful for the co-operation, support and assistance received from the customers, shareholders, the Government, other statutory bodies, Banks, Solicitors, Distributors, Suppliers and other business associates during these turbulent times.

The Directors also express their sincere appreciation of the employees at all levels for having risen to meet the several challenges encountered and look forward to their valuable support and commitment in the times ahead.

For and on behalf of the Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041686

Place: Mumbai

Date : 30th June, 2021

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company is committed to doing business with integrity and respect for the world around us. The Company's CSR policy is aimed at forming a dynamic relationship between the Company on the one hand and the society and the environment on the other. The Company has traditionally been driven by a moral obligation and philanthropic spirit and has a heritage of being engaged in such activities since inception. The Company is committed towards sustainability and all business decisions take into account its social and environmental impact.

For years now, the Company has been dedicated to provide quality products and to reduce energy use and increase efficiency. The projects undertaken/ programmes supported by the Company are within the broad framework of Schedule VI of the Companies Act, 2013. During the year, in spite of the Average Net profit for the purpose of computation of CSR being nil, the Company has continued its focus on promoting healthcare including preventive healthcare. The Company has accordingly made a contribution of ₹ 36,00,000/- (Rupees Thirty Six Lakhs only) to Prince Ali Khan Hospital, Mumbai registered as a Charitable Trust and part of the Aga Khan Health Services which promotes healthcare including preventive healthcare and Tata Memorial Hospital, Mumbai.

2. The composition of the CSR committee:

The Company has a CSR committee of Directors comprising of

Mr. V. M. Apte, Chairman of the Committee, Mr. A. Y. Noorani and Mr. S. Y. Noorani.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.zodiaconline.com/codes-and-policies>.**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable****6. Average net profit of the Company for last three Financial Years for the purpose of computation of CSR (As per Section 135(5)): Nil****7. (a) Two percent of average net profit of the company as per section 135(5): NIL**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): NIL

8. (a) CSR amount spent or unspent for the financial year:**Amount Unspent (in ₹)**

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
36 Lakhs	NIL	Not Applicable	-	NIL	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spend for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Contribution to Prince Aly Khan Hospital, a Charitable Trust	Item No (i): promoting health care including preventive health care	Yes	Maharashtra	Mumbai	32,00,000	Yes	NA	NA
2	Contribution to Tata Memorial Hospital	Item No (i): promoting health care including preventive health care	Yes	Maharashtra	Mumbai	4,00,000	Yes	NA	NA

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 36 Lakhs

(g) Excess amount for set off, if any: NIL

Sr. No.	Particulars	Amount in ₹.
1	Two percent of average net profit of the company as per section 135(5)	NIL
2	Total amount spent for the Financial Year	36 Lakhs
3	Excess amount spent for the financial year [(ii)-(i)]	NIL
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5): Not Applicable

V. M. Apte

Chairman, CSR Committee

A. Y. Noorani

Chairman

Form No. MR-3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Zodiac Clothing Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zodiac Clothing Company 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period") 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 March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('Act') and rules made thereunder; and
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of

India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

In respect of the meeting of the board of directors of the Company held on September 15, 2020 to consider the approval of financial results for the quarter ended June 30, 2020, the notice of such meeting given to the stock exchanges was short by one day. The National Stock Exchange of India Limited levied a fine of ₹10,000 for non-compliance of Regulation 29(2)/(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, which was paid by the Company. The Bombay Stock Exchange Limited waived the penalty.

We further report that, there were no events/ actions in pursuance of:

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and

- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 requiring compliance thereof by the Company during the Audit Period.

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (i) Factories Act, 1948;
- (ii) Industries (Development and Regulation) Act, 1951;
- (iii) Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or on contractual basis;
- (iv) Competition Act, 2002
- (v) Consumer Protection Act, 1986
- (vi) Environmental Protection Act, 1986
- (vii) The Hazardous Waste (Management & Handling and Transboundary Movement) Rules, 2008.
- (viii) Boilers Act, 1923
- (ix) Gas Cylinders Rules, 2004
- (x) Standards of Weights & Measures (Enforcement) Act, 1985
- (xi) The Static & Mobile Pressure Vessels (Unfired) Rules, 2018
- (xii) Foreign Trade (Development & Regulation) Act, 1992
- (xiii) The Legal Metrology Act, 2009
- (xiv) Trademark Act, 1999

Place : Mumbai
Date : June 24, 2021

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

Adequate notice is given to all the 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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, no events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

Special Resolutions passed for:

1. Appointment of Ms. Elizabeth Jane Hulse (DIN: 07094093) as an Independent Director of the Company.
2. Issue of 22,81,854 Equity Shares of ₹ 10 each at premium of ₹ 99.56 to Promoter on Preferential basis.

For ROBERT PAVREY & ASSOCIATES
Company Secretaries

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928C000505672

This report is to be read with Annexure A which forms an integral part of this report.

To,

The Members

Zodiac Clothing Company Limited

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

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ROBERT PAVREY & ASSOCIATES

Company Secretaries

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928C000505672

Place : Mumbai

Date : June 24, 2021

Form AOC - 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

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

Sr. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate on last day of financial year	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	Zodiac Clothing Co. S.A. - Switzerland.	April to March	CHF	₹ 77.55	2,50,000	9,15,031	11,72,889	11,72,889	-	-	8,64,643	-	8,64,643	-	100
2	Zodiac Clothing Co. (U.A.E.) LLC - U.A.E.	April to March	AED	₹ 19.95	3,00,000	1,27,92,625	1,40,24,578	1,40,24,578	-	25,36,855	2,04,305	-	2,04,305	-	100
3	Zodiac Clothing Bangladesh Limited - Bangladesh	April, To March	Taka	₹ 0.86	21,018,700	17,50,246	2,03,03,365	2,03,03,365	-	-	(7,84,522)	-	(7,84,522)	-	100

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020 - 2021

Corporate Governance is a process that aims to meet stakeholders' aspirations and expectations. It is much more than complying with the legal and regulatory requirements. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures etc. serve as the means for implementing the philosophy of corporate governance. The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended 31st March 2021, as per the format prescribed by SEBI and as incorporated in Regulations 17 to 27 along with 34(3) and clause (b) to (i) of Sub-regulation 46(2) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") are set out below for the information of the members and investors of the Company.

I. Company's Philosophy on Corporate Governance

At Zodiac, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. Good Governance practices stem from the value system and philosophy of the organization. The Company's endeavor is to follow the spirit of good governance rather than mere compliance with the conditions specified by the regulatory authorities. The Board is collectively responsible for pursuing this purpose. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has formulated, inter alia, various policy documents and introduced best practices of governance. For the Company, Corporate Governance is not a destination but a continuous journey that seeks to provide an enabling environment to harmonize the goals of maximizing stakeholders' value and maintaining a strong customer focus.

II. Board of Directors

Composition of the Board

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March 2021, the Board of the Company comprised of Eight Directors of which, the Chairman is a Non-Executive Director, Vice Chairman is an Executive Director and six are Independent Directors out of which one is a Woman Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of LODR. The members of the Board are professionals who are senior, competent, richly experienced and highly respected persons in their respective fields.

The composition of the Board, Directorships/ Committee positions in other Companies as on 31st March 2021, number of meetings held and attended during the year are as follows:

Name of Director	Designation	Category of Directorship	Board Meetings during the year		Attendance at last AGM	Directorships	Directorships and Category of Directorships in other Listed Entities	Committee Membership in other Public Companies	
			Held	Attended				Member	Chairperson
Mr. Y. P. Trivedi	Non-Executive Director	Independent Director	4	4	Yes	3	Reliance Industries Limited - Independent Director	4	4
							The Supreme Industries Limited - Independent Director		
							Emami Limited - Independent Director		
Mr. S. R. Iyer	Non-Executive Director	Independent Director	4	4	Yes	-	None	-	-
Mr. Bernhard Steinruecke	Non-Executive Director	Independent Director	4	4	No	1	BOSCH Limited - Independent Director	2	0
Dr. Naushad Darius Forbes	Non-Executive Director	Independent Director	4	4	No	4	Bajaj Holdings & Investment Limited- Independent Director	6	1
							Bajaj Finance Limited- Independent Director		
							Bajaj Finserv Limited- Independent Director		
							Bajaj Auto Limited- Independent Director		
Mr. V. M. Apte	Non-Executive Director	Independent Director	4	4	Yes	-	None	-	-
Ms. Elizabeth Jane Hulse	Non-Executive Director	Independent Director	4	2	No	-	None	-	-

Name of Director	Designation	Category of Directorship	Board Meetings during the year		Attendance at last AGM	Directorships	Directorships and Category of Directorships in other Listed Entities	Committee Membership in other Public Companies	
			Held	Attended				Member	Chairperson
Mr. A. Y. Noorani	Chairman	Promoter & Non Executive	4	4	Yes	-	None	-	-
Mr. S. Y. Noorani	Vice Chairman & Managing Director	Promoter & Executive	4	4	Yes	-	None	-	-

Notes:

1. The Directorships, as mentioned above, do not include Directorship in Zodiac Clothing Company Limited, in Private Limited Companies, Unlisted Public Companies and Foreign Companies.
2. In accordance with Regulation 26 (1) of LODR, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (excluding Zodiac Clothing Company Limited) have been considered.

Board Meetings

The Board Meetings are governed by a structured agenda. The agenda along with the detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision-making. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings. The necessary quorum has been present at all the meetings.

During the Financial Year a total of Four (4) Board Meetings were held i.e. on 30th July 2020, 15th September 2020, 11th November, 2020 and 12th February, 2021.

In compliance with the requirements of Schedule IV of the Companies Act, 2013 read with Regulation 25 of the SEBI LODR, a separate meeting of the Independent Directors of the Company was held on 26th March, 2021 without the attendance of Non Independent Directors and members of the Management of the Company.

Number of shares and convertible instruments held by Non- Executive Directors

The details of number of shares and convertible instruments held by Non- Executive Directors is provided below:

Name of the Non Executive Director	Number of Equity Shares Held as on 31 st March 2021
Mr. Anees Yusuf Noorani	28,99,899
Mr. V.M. Apte	2,130
Mr. S. R. Iyer	3,375
Mr. Y. P. Trivedi	23,875
Mr. Bernhard Steinruecke	30,375
Dr. Naushad Forbes	38,639
Ms. Elizabeth Jane Hulse	-

List of Core skills/expertise/competencies identified by the Board of Directors as required in the context of our Business for it to function effectively and those actually available with the Board and also enumerated below, the directors who have such skills / expertise / competence :-

Name of the Director	Designation of the Director	Skills / Expertise
Mr. A.Y. Noorani	Chairman, Non-Executive Director	Industrialist with expertise in developing Clothing business and its overall operations. Presently overseeing the Corporate affairs and Finance function of the Company.
Mr. S. Y. Noorani	Vice Chairman & Managing Director	Industrialist with expertise in setting up and up-gradation of manufacturing facilities. Presently overseeing the Company's operations, product design, manufacturing, sales and marketing.
Mr. V. M. Apte	Non-Executive Independent Director	Industrialist with rich and varied experience in setting up and managing industries and also providing consultancy.

Name of the Director	Designation of the Director	Skills / Expertise
Mr. Bernhard Steinruecke	Non-Executive Independent Director	An eminent Banker with a law background and well versed with International business, banking and finance.
Ms. Elizabeth Jane Hulse	Non-Executive Independent Director	A veteran in Textile Designing and a trained weaver, Fabric Sourcing and Purchasing Brand and Product Management and Buying.
Mr. S. R. Iyer	Non-Executive Independent Director	An eminent Banker with vast knowledge and rich experience in Finance and Banking.
Dr. Naushad Forbes	Non-Executive Independent Director	An eminent industrialist with a doctorate degree in engineering from Stanford University and expertise in steam engineering, energy efficiency, technology and international business.
Mr. Y. P. Trivedi	Non-Executive Independent Director	An eminent lawyer with expertise in direct, indirect taxation and corporate laws.

Familiarization Programme for Board Members

The Company has put in place a system on an on going basis to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates and the business model of the Company. Further the Chairman/Vice Chairman/Managing Director has a one to one discussions with the newly appointed Director to familiarize them with the Company's operations. The familiarization programme for Independent Directors has been posted on the Company's website at www.zodiaconline.com and the web link for the same is <https://www.zodiaconline.com/codes-and-policies>.

Code of Conduct for Board of Directors and Senior Management Personnel

The Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel ("the Code") as laid down by Regulation 26(3) of LODR. The duties of Independent Directors as laid down in Schedule IV of the Companies Act, 2013 are suitably incorporated in the Code as required under the Regulation 17 of LODR. The Code has been communicated to the Directors and the Senior Management Personnel. The Code has also been posted on the Company's website at www.zodiaconline.com and the web link for the same is <https://www.zodiaconline.com/codes-and-policies>. All Board members and senior management personnel have confirmed compliance with the Code for the year ended 31st March, 2021. The Annual Report contains a declaration to this effect signed by the Vice Chairman & Managing Director.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

None of the Independent Directors have resigned during the Financial Year 2020-21.

Disclosure of relationships between Directors inter-se

Mr. A. Y. Noorani, Chairman and Non-Executive Director and Mr. S. Y. Noorani, Vice Chairman & Managing Director of the Company are brothers. Other than the above, none of the Directors are related to any other Director of the Company.

Independent Directors' conformation by the Board:

All the Independent Directors (ID) have given declaration that they meet the criteria of Independence as laid down under section 149(6) of the Act and Regulation 16(1b) of LODR. In the opinion of the Board, all the IDs, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1b) of the LODR.

Committees of Board:

The Company has constituted various Committees of Board of Directors to focus on critical functions of the Company and also for smooth and efficient business operations viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Forex Committee, and Investment Committee. The Committees meet as and when necessary for deciding various matters and providing directions and authorizations to the management for its implementation.

Details on role and composition of these Committees, including number of meeting held during the F.Y. 2020-21 and the related attendance are provided below:

III. Audit Committee

(a) Constitution of Audit Committee:

The members of the Audit Committee as on 31st March, 2021 are Mr. S. R. Iyer, Mr. V. M. Apte and Mr. Y. P. Trivedi.

All the members of the Audit Committee are Non-Executive and Independent Directors. All the members possess sound knowledge of accounts, audit, financial management expertise, etc.

Mr. S. R. Iyer is the Chairman of the Audit Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee are in line with Regulation 18 of LODR and Section 177 of the Companies Act 2013. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

(b) Roles and Powers of the Audit Committee:

The brief description of the terms of reference of the Committee is as follows:

Powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Roles:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and the auditors report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Approval and Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. To evaluate the internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, 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;
14. Discussing with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Such other functions as may be prescribed under the applicable laws and regulations.

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
 - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(c) Meetings of Audit Committee:

The Meetings of Audit Committee are also attended by the Managing Director, CFO, Statutory Auditors and Internal Auditors as special invitees.

During the Financial Year a total of Seven (7) Audit Committee Meetings were held i.e. on 30th July, 2020, 15th September, 2020, 29th October, 2020, 11th November, 2020, 30th January, 2021, 12th February, 2021 and 24th March, 2021.

The details of attendance of each member of the Audit Committee is given below:

Name	Designation	No. of meetings held	No. of meetings attended
Mr. S. R. Iyer	Chairman	7	7
Mr. Y. P. Trivedi	Member	7	7
Mr. V. M. Apte	Member	7	7

IV. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee as on 31st March, 2021 are Mr. Y. P. Trivedi, Mr. V. M. Apte and Mr. S. R. Iyer.

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors.

Mr. Y. P. Trivedi is the Chairman of the Nomination and Remuneration Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible to overview the process of evaluation of performance of the Board as a whole, Board Committees and the Directors individually.

The Committee's terms of reference include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the Financial Year One (1) Nomination and Remuneration Committee Meeting was held i.e. on 26th March, 2021.

The details of attendance of each member of the Nomination and Remuneration Committee is as follows:

Name	Designation	No. of meetings held	No. of meetings attended
Mr. Y. P. Trivedi	Chairman	1	1
Mr. V. M. Apte	Member	1	1
Mr. S. R. Iyer	Member	1	1

V. Performance evaluation criteria for Independent Directors:

Based on the Criteria for evaluating the Performance of the Independent Directors as laid down by the Nomination and Remuneration Committee of the Company, the Performance evaluation of the Independent Directors for the Financial Year has been made by the Board of Directors at their meeting held on 12th February, 2021.

As a result, in the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in the LODR and are independent of the management.

Remuneration Policy:

A. Remuneration to Whole-time Director:

The remuneration paid to the Whole-time Director is subject to the limits laid down under Section 197 and Schedule V to the Companies Act, 2013, and in accordance with the terms of appointment approved by the members of the Company. The remuneration of the Whole-time Director is determined by the Nomination & Remuneration Committee. Mr. S. Y. Noorani is entitled to a remuneration consisting of Salary, Company's contribution to Provident Fund, Performance linked Bonus, other perquisites including Company's Car with driver and allowances subject to the same not exceeding the limits as permissible under the Act, applicable from time to time.

The Whole-time Director is not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

B. Executive Director:**Details of Remuneration paid to Executive Director for the Financial Year ended 31st March 2021**

Particulars	Mr. S. Y. Noorani, Vice Chairman & Managing Director
Term of Appointment	For a period of 3 years from 1 st March 2020 to 28 th February 2023
Salary	Mr. S. Y. Noorani had voluntarily waived off his remuneration for F.Y. 2020-21 and accordingly, no remuneration has been paid/provided in the books for the F.Y. 2020-21
Commission	-
Minimum Remuneration	In the event of absence or inadequacy of profit under the Act in any financial year, minimum remuneration shall be the same as remuneration, subject to the same not exceeding the limits prescribed under the Act.
Service Contract, Notice Period & Severance Fees	The Appointment is contractual and can be terminated by giving six months' notice or six months' salary in lieu thereof.

C. Non-Executive Directors:

The Non-Executive Directors, except Mr. A. Y. Noorani, are being paid only sitting fees for attending the meetings of the Board or Committees thereof within the limits prescribed under the Companies Act 2013. Mr. A. Y. Noorani, Chairman and Non-Executive Director has voluntarily agreed to not take any sitting fees for attending any Board or Committee Meetings. Mr. A. Y. Noorani is entitled to a Commission of such amount not exceeding 5% (five per cent) of the Net Profits of the Company w.e.f. 1st April, 2017 as per the approval of the Members of the Company. The details of the sitting fees paid/payable to the Non-Executive Directors for the Financial Year 2020-21 are as under:

Name of Director	Sitting Fees paid/payable (in ₹)#	Shares held as on 31st March 2021
Mr. A. Y. Noorani	Nil	28,99,899
Mr. Y. P. Trivedi	5,90,000	23,875
Mr. S. R. Iyer	6,30,000	3,375
Mr. V. M. Apte	6,30,000	2,130
Mr. Bernhard Steinruecke	2,40,000	30,375
Dr. Naushad Darius Forbes	2,20,000	38,639
Ms. Elizabeth Jane Hulse	1,00,000	-

The Sitting Fees paid is exclusive of GST paid thereon at the applicable rates.

VI. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee to monitor and review investors' grievances, share transfers, etc.

The members of the Stakeholders' Relationship Committee as on 31st March, 2021 are Mr. A. Y. Noorani, Mr. V. M. Apte and Mr. S. Y. Noorani.

Mr. A. Y. Noorani is the Chairman of the Stakeholders Relationship Committee.

Mr. Kumar Iyer, Company Secretary is the Compliance Officer.

During the year, only three shareholder complaints were received which were resolved to the satisfaction of the shareholders and reported to the Committee. There were no pending complaints as on 31st March 2021.

VII. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility Committee and The members of the said Committee as on 31st March, 2021 are Mr. V. M. Apte, Mr. A. Y. Noorani and Mr. S. Y. Noorani. Mr. V. M. Apte is the Chairman of the Corporate Social Responsibility Committee.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

The Corporate Social Responsibility Committee recommends CSR initiatives and monitors the implementation of the same as per the Corporate Social Responsibility Policy as approved by the Board.

VIII. Risk Management Committee

The Risk Management Committee is responsible for monitoring and reviewing the risk management plan duly approved by the Board. The members of the Risk Management Committee are Mr. S. R. Iyer, Chairman, Mr. A. Y. Noorani and Mr. S. Y. Noorani. Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

During the Financial Year One (1) Risk Management Committee Meetings were held i.e. on 24th March, 2021.

IX. Forex Committee

The Forex Committee comprising of Mr. A. Y. Noorani, Chairman, Mr. S. Y. Noorani and Mr. Bernhard Steinruecke, is responsible for overseeing and implementing the Forex Hedging Policy approved by the Board.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

X. Investment Committee

The Investment Committee comprises of Mr. A. Y. Noorani, Chairman, Mr. S. R. Iyer, and Mr. S. Y. Noorani.

Mr. Kumar Iyer, Company Secretary acts as the Secretary to the Committee.

XI. Subsidiary Companies

The following are the Company's Subsidiary / Step down Subsidiaries as on 31st March, 2021:

1. Zodiac Clothing Company S.A. (Switzerland) - Subsidiary;
2. Zodiac Clothing Company (U.A.E.) LLC (U.A.E.) - Step Down Subsidiary;
3. Zodiac Clothing Bangladesh Limited (Bangladesh) - Step Down Subsidiary.

None of the above Companies are material subsidiaries as defined under Regulation 16 (c) of LODR. However, the Company has formulated the material subsidiary policy and uploaded on the website of the Company.

The Audit Committee reviews the financial statements of the subsidiaries, in particular the Investments made, if any, by the subsidiary Companies during every quarter.

The minutes of the Board Meeting of the Subsidiaries are periodically placed before the Board of Directors of the Company. The Management also brings to the attention of the Board periodically, the statement of significant transactions entered into by the subsidiaries, if any.

XII. Directors seeking appointment/ re-appointment

Re-appointment of Retiring Director:

Mr. S.Y. Noorani, Director retires by rotation at the ensuing 37th Annual General Meeting and is eligible for re-appointment.

XIII. Other Disclosures:

a. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this Regulation.

The Company has complied with all the mandatory requirements as stipulated in Schedule V of the LODR. The non-mandatory requirement as stipulated in Schedule V of LODR is being reviewed by the Board and adopted to the extent and in manner as stated under the appropriate headings in the Report on Corporate Governance.

b. Related Party Transactions

All transactions entered into with the related parties as defined under the Companies Act 2013 and Regulation 23 and Schedule V of LODR during the Financial Year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act 2013. There were no materially significant transactions with related parties during the Financial Year. Related Party Transactions have been disclosed under the Note No. 43 of notes forming part of the financial statements in accordance with Ind AS 24. A statement in summary form of transactions with related parties entered to in the ordinary course of business and on Arm's Length basis is periodically placed before the Audit Committee for review and approval.

As required under Regulation 23 of LODR, the Company has a policy on dealing with related party transactions. The policy is available on the website of the Company.

None of the transactions with related parties were in conflict with the interest of the Company. All transactions are in the normal course of business and have no potential conflict with the interests of the Company at large and are carried out on an arm's length basis.

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital market, during the last three years.

In respect of the meeting of the Board of Directors of the Company held on September 15, 2020 to consider the approval of financial results for the quarter ended June 30, 2020, the notice of such meeting given to the stock exchanges was short by one day. The National Stock Exchange of India Limited levied a fine of ₹ 10,000 for non-compliance of Regulation 29(2)/(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which was paid by the Company. The Bombay Stock Exchange Limited waived the penalty.

Other than the above, There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital market during the last three years.

d. Code for Prohibition of Insider trading

In compliance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors of the Company have adopted a formal 'Code of conduct for Regulating, Monitoring and Reporting of Trading by Insiders' for prevention of Insider trading by the Directors and Designated Employees and their dependents and have also adopted the Procedure for Enquiry in case of Leak/Suspected Leak of Unpublished Price Sensitive Information Policy.

e. Whistle Blower Policy/Vigil Mechanism

Pursuant to section 177 (9) & (10) of the Companies Act, 2013 and Regulation 46 of LODR, the Company has a Whistle Blower Policy for Vigil Mechanism for Directors and employees to report to the management about unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the employees of the Company have been denied access to the Audit Committee. The said policy is disclosed on the website of the company viz: <https://www.zodiaconline.com/codes-and-policies>

f. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

g. Web link where policy for determining 'material' subsidiaries is disclosed

The web link where the policy for determining 'material' subsidiaries is disclosed is <https://www.zodiaconline.com/codes-and-policies>

h. Web link where policy on dealing with Related Party Transactions

The web link where the policy on dealing with Related Party Transactions is disclosed is <https://www.zodiaconline.com/codes-and-policies>

i. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the Financial Year	Number of complaints disposed off during the Financial Year	Number of complaints pending as on end of the Financial Year
Nil	Nil	Nil

j. The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent Company has adopted are mentioned below:

Discretionary Requirements:

- The Company maintains a separate office for the Non-Executive Chairman.
- The position of the Chairman and Managing Director are separate.
- The Auditors' Opinion on the Financial Statements are Unmodified.
- The Internal Auditor reports directly to the Audit Committee of the Company.

XIV. Shareholder Information:

General Body Meeting

a) Details of last three Annual General Meetings held:

Financial Year	Day & Date	Time	Venue
2017-2018	Thursday, August 30, 2018	3:00 p. m.	Nehru Centre, Hall of Culture, Dr. Annie Besant Road, Worli, Mumbai 400 018
2018-2019	Monday, August 5, 2019	3:00 p. m.	Nehru Center, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2019-20	Monday, December 28, 2020	3.00 p. m.	Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai – 400 030 (through video conferencing/other audio visual means)

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

34th Annual General Meeting held on 30th August 2018: At this meeting the following Six Special Resolutions were passed:

1. Issue of Convertible Warrants on Preferential Basis.
2. Issue of Equity Shares on Preferential Basis.
3. Continuation of Directorship of Mr. M. Y. Noorani as Chairman
4. Continuation of Directorship of Mr. S. R. Iyer as Independent Director
5. Continuation of Directorship of Mr. Y. P. Trivedi as Independent Director
6. Continuation of Directorship of Mr. M. L. Apte as Independent Director

35th Annual General Meeting held on 5th August 2019: At this meeting the following Four Special Resolutions were passed:

1. Re-appointment of Mr. S. Y. Noorani (DIN 00068423) as the Managing Director and President of the Company and approval of the remuneration payable to him.
2. Re-appointment of Mr. S. R. Iyer (DIN: 00580437), aged 79 years, as an Independent Director of the Company.
3. Re-appointment of Mr. Y. P. Trivedi (DIN: 00001879), aged 90 years, as an Independent Director of the Company.
4. Re-appointment of Mr. Bernhard Steinruecke (DIN: 01122939) as an Independent Director of the Company.

36th Annual General Meeting held on 28th December 2020: At this meeting the following Two Special Resolutions were passed:

1. Re-Appointment of Ms. Elizabeth Jane Hulse (DIN: 07094093) as an Independent Director of the Company.
2. Issue of 22,81,854 Equity Shares of ₹ 10 each at premium of ₹ 99.56 to Promoter on Preferential basis.

c) Whether any Special Resolutions were passed through Postal Ballot, last year: No

d) Person who conducted the CCM: Mr. B. Narasimhan, Proprietor, B. N & Associates (Practising Company Secretary)

e) Whether any Special Resolution is proposed to be conducted through Postal ballot: No

XV. Means of Communication:

a. Quarterly Results:

Published in the newspapers in terms of Regulation 33 of LODR.

b. Newspapers in which results are normally published in:

- i. Business Standard (English Newspaper All India Edition).
- ii. Lokmat (Marathi Newspaper - Mumbai Edition)

- c. The Company's financial results and official press releases are displayed on the Company's website: www.zodiaconline.com
- d. Any presentation made to the Investors and analysts are also posted on the Company's website viz. www.zodiaconline.com
- e. During the year under review, no presentations were made to analysts.

XVI. General Shareholder Information

a) Annual General Meeting:

Day & Date	Time	Venue
Wednesday, 29 th September, 2021	3:00 p.m.	VC-OAVM

b) Financial Calendar 2021 - 2022 (tentative) Schedule of the Board Meetings:

First Quarter ended 30 th June 2021	: On or before 14 th August, 2021
Second Quarter ended 30 th September 2021	: On or before 14 th November, 2021
Third Quarter ended 31 st December 2021	: On or before 14 th February 2022
Fourth Quarter ended 31 st March 2022	: On or before 30 th May, 2022

c) Dates of Book Closure:

Monday, 20th September 2021 to Wednesday, 29th September, 2021

d) Dividend payment date:

The Board has not recommended any Dividend for the year under consideration.

e) Disclosure of details of Unclaimed Shares (under Schedule V of LODR):

In terms of Schedule V of LODR, the details of the Unclaimed Shares lying in the Unclaimed Share Suspense Account are as follows:

Sr. No	Particulars	No. of Shareholders	No. of Equity Shares
i	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 1 st April, 2020	10	1850
ii	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Shares Suspense Account during the year	0	0
iii	Number of shareholders to whom the shares were transferred from the Unclaimed Shares Suspense Account during the year	0	0
iv	Shares credited to the IEPF suspense account in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 published on 5 th September, 2016,	1	100
v	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Suspense Account as on 31 st March, 2021, whose voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	9	1750

f) Listing on Stock Exchanges:

The Equity Shares of the Company continue to be listed at the following Stock Exchanges: -

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051.

Note:

Listing Fees have been paid to the aforesaid Stock Exchanges for the year 2021-2022.

g) Stock Code/ Symbol

BSE Limited	521163
National Stock Exchange of India Limited	ZODIACLOTH
ISIN	INE206B01013

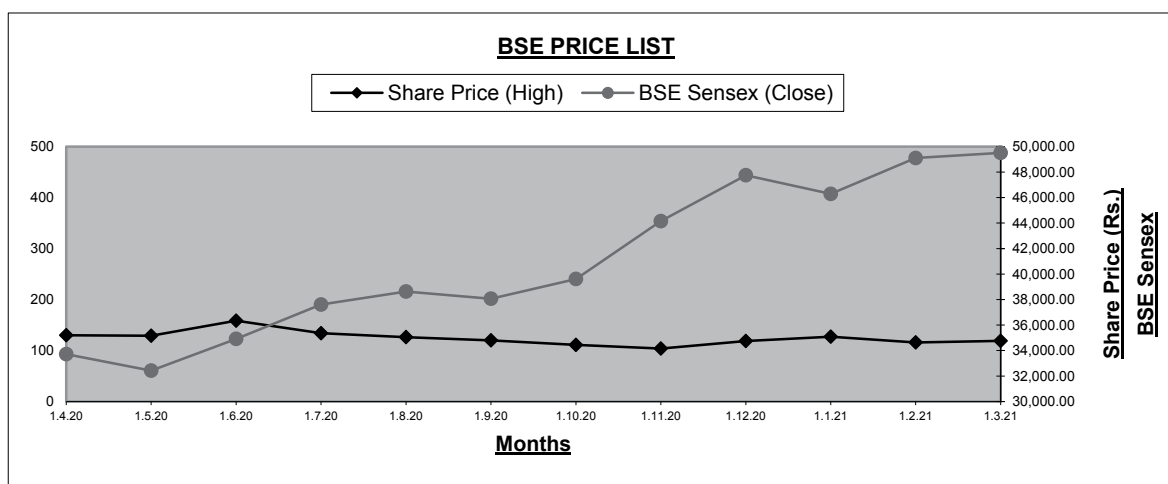
h) Market Price

The monthly high & low quotations of the Company's shares traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2020-2021 are as under:

Months	BSE Limited		NSE India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2020	130.00	92.35	125.00	94.30
May 2020	129.00	91.45	124.00	90.70
June 2020	158.50	106.00	161.85	105.60
July 2020	133.90	111.15	130.90	112.00
August 2020	126.30	107.15	127.95	101.30
September 2020	120.00	96.25	118.60	96.10
October 2020	111.00	92.30	108.95	91.95
November 2020	103.90	91.25	103.95	93.20
December 2020	118.65	97.75	118.70	97.20
January 2021	127.15	103.45	127.50	103.40
February 2021	115.95	102.10	115.60	101.70
March 2021	118.90	92.00	119.00	92.05

Performance in comparison to broad based indices:

ZODIAC vs BSE SENSEX



i) **Registrar & Share Transfer Agents**

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll Free no.: 1800-309-4001

j) **Share Transfer System**

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, and so on of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities made is noted at the Board meeting and Stakeholders' Relationship Committee meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within 30 days of the date of lodgment of the transfer, sub-division, consolidation and renewal as required under Regulation 40 (9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

Pursuant to SEBI Circular, except for transposition/transmission of securities, all securities of Listed Companies can be transferred only in dematerialised form w.e.f. 1st April, 2019.

k) **Distribution of shareholding as on 31st March 2021**

ZODIAC CLOTHING COMPANY LIMITED					
Distribution of Shareholding as on 31/03/2021					
Sr. no.	Category (Shares)	No. of Shareholders	Percentage (%)	No. of Shares	% To Equity
1	1 - 5000	7,008	85.29	9,29,302	3.75
2	5001 - 10000	534	6.50	4,40,243	1.78
3	10001 - 20000	308	3.75	4,74,118	1.91
4	20001 - 30000	105	1.28	2,61,294	1.05
5	30001 - 40000	61	0.74	2,17,183	0.88
6	40001 - 50000	49	0.59	2,34,429	0.95
7	50001 - 100000	64	0.78	4,52,396	1.83
8	100001 and above	88	1.07	2,17,50,566	87.85
	TOTAL:	8217	100	2,47,59,531	100

l) **Shareholding Pattern as on 31st March 2021**

SR. NO.	PARTICULARS	TOTAL NUMBER OF SHARES	PERCENTAGE OF HOLDING
(I)	(II)	(III)	(IV)
(A)	PROMOTER HOLDING		
(1)	INDIAN	79,16,808	31.97
(2)	FOREIGN	94,09,738	38.00
	TOTAL (A)	1,73,26,546	69.97
(B)	PUBLIC SHAREHOLDING		
(1)	INSTITUTIONS	8,257	0.03
(2)	NON-INSTITUTIONS	74,24,728	30.00
	TOTAL (B)	74,32,985	30.03
	GRAND TOTAL (A+B) :	2,47,59,531	100

m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity.

During the period under review, The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

n) The Details of Utilization of funds raised through Preferential Allotment as specified under Regulation 32 (7A) of LODR as on 31st March, 2021 is as below

Sr. no.	Particulars	Amount Received
1.	Amount received on issue of 11,40,927 equity shares of ₹ 10 each @ premium of ₹ 109.56 on 23 rd March, 2021	₹ 12,49,99,962.12
2.	Amount received on issue of 11,40,927 equity shares of ₹ 10 each @ premium of ₹ 109.56 on 25 th March, 2021	₹ 12,49,99,962.12
3.	TOTAL AMOUNT RECEIVED	₹ 24,99,99,924.24
4.	Amount used towards working capital requirements	₹ 24,99,99,924.24
5.	Balance unused amount invested in liquid fund/s (rounded off)	NIL

o) Credit Rating

The Company has been advised by the rating agency that the rating process shall be done only after the accounts for the Financial year 2020-21 are finalized and approved.

p) Liquidity

The Company's Equity Shares are traded on Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited.

q) Plant Location

- (I) Bangalore: –
1. Near Bagalur Cross, Air Force Station, P.O.Yelahanka, Bangalore - 560 063.
 2. No. 107 & 108, 4th 'C' Cross, 5th Block, Koramangala Industrial Layout, Bangalore -560 095
 3. No. 9B, 2nd Phase, Bommasandra Industrial Area, Hebbatgudi Village, Anekal Taluka Bangalore - 560 099
- (II) Gujarat: –
1. A-1, 181 / 1, GIDC, Umbergaon, Valsad, Gujarat: 396171.
 2. C / 2 / 7, GIDC, Industrial Area, Umbergaon , Valsad, Gujarat- 396 171.
 3. Plot no. 411, Phase III, GIDC, Umbergaon, Valsad,Gujarat- 396171.
- (III) Mumbai: – A to Z Industrial Premises Co-op. Society Ltd., G.K.Marg, Lower Parel, Mumbai - 400 013

r) Address for Correspondence:

For Shares held in Physical form:

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll Free no.: 1800-309-4001
Email: shyam.kumar@kfintech.com
Website: www.kfintech.com

For Shares held in Demat Form:

Investor's concerned Depository Participant(s) and/ or KFin Technologies Private Limited

For General Correspondence write to:

Mr. Kumar Iyer

G.M. Legal & Company Secretary

Zodiac Clothing Company Limited

Nyloc House, 254, D-2, Dr. Annie Besant Road, Worli, Mumbai 400 030.

e-mail: cosecy@zodiacmtc.com

- s) **Details of Total Fees for all services paid by Zodiac and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note No. 35 to the Standalone Financial Statements.

There are no fees paid to any other network entities.

- t) **Certificate from Company Secretary in Practice on Debarment or Disqualification of Directors**

As required under Schedule V, the Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority is attached as Annexure A to this Report.

- u) **Auditors' Certificate on Corporate Governance**

As required under Schedule V of LODR, the Auditor' Certificate on Corporate Governance is given as an Annexure to the Directors' Report.

Place: Mumbai

Date: 30th June, 2021

A. Y. Noorani

Chairman

CEO AND CFO CERTIFICATION UNDER REGULATION 17(8) OF LODR

We, S. Y. Noorani, Vice Chairman & Managing Director and B. Mahabala, Chief Financial Officer (CFO) to the best of our knowledge and belief, certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2021 of Zodiac Clothing Co. Ltd., and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining Internal Controls for the Financial Reporting and that we have evaluated the effectiveness of the Internal Control system of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) significant changes in Internal Control over Financial Reporting during the year,
 - (2) significant changes in accounting policies during the year if any, and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

S.Y. NOORANI

Vice Chairman & Managing Director

DIN: 00068423

B. MAHABALA

Chief Financial Officer (CFO)

Place : Mumbai

Date : 30th June, 2021

Annual Declaration by the Vice Chairman & Managing Director

I do hereby declare that pursuant to Schedule V (D) read with the Regulation 34 (3) of the SEBI LODR, all Board members and senior management personnel of the Company have affirmed with the Code of Conduct and Ethics for the year ended 31st March 2021.

S.Y. NOORANI

Vice Chairman & Managing Director

DIN: 00068423

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Zodiac Clothing Company Limited

We have examined the compliance of conditions of Corporate Governance by Zodiac Clothing Company Limited, for the year ended March 31, 2021 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sachin Parekh

Partner

Place: Mumbai

Date: June 30, 2021

Membership No: 107038

UDIN: 21107038AAAAEK7524

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
Zodiac Clothing Company Limited
Nyloc House 254, D-2,
Dr. Annie Besant Road, Worli
Mumbai 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Zodiac Clothing Company Limited having CIN L17100MH1984PLC033143 and having registered office at Nyloc House 254, D-2, Dr. Annie Besant Road, Worli Mumbai 400030 Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director's Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and 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, 2021 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.	Yogendra Premkrishna Trivedi	00001879	29/01/2000
2.	Vaman Madhav Apte	00003651	13/08/2019
3.	Anees Yusuf Noorani	00041686	14/06/1984
4.	Salman Yusuf Noorani	00068423	31/01/2009
5.	Subramaniam Ramachandran Iyer	00580437	22/06/2002
6.	Naushad Darius Forbes	00630825	29/03/2018
7.	Bernhard Steinruecke	01122939	28/11/1997
8.	Elizabeth Jane Hulse	07094093	11/02/2015

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

For Robert Pavrey & Associates
Company Secretaries

Place: Mumbai
Date : June 18, 2021

Robert Pavrey
Proprietor
FCS 2928 CP. No.: 1848
UDIN: F002928C000247700

BUSINESS RESPONSIBILITY REPORT

Introduction:

At Zodiac Clothing Company Limited (Zodiac), sustainability is not a process it's a way of life. Our journey to being sustainable began at a very early stage and since then it has been ingrained into our systems. As a result, in this era of eco-renaissance, Zodiac continues to raise the bar with sustainable fashion for its customers. Environmentalism & Sustainability is a major choice today and addressing to this mindset gave birth to the sustainable brands Z3 and Z3 denim range which are created with eco-friendly processes that have set benchmark in the industry.

The Company endeavors to take initiatives under the principles prescribed under National Guidelines on Responsible Business Conduct, 2018 (NGRBC) released by the Ministry of Corporate Affairs. SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulation, 2019 (Listing Regulations) notified on 26th December, 2019, has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of the Company's Annual Report. The reporting framework is based on NGRBC and as per the format suggested by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L17100MH1984PLC033143
2. Name of the Company: Zodiac Clothing Company Limited
3. Registered address: Nyloc House 254, D-2, Dr. Annie Besant Road, Worli Mumbai - 400030
4. Website: www.zodiaconline.com
5. E-mail id: cosecy@zodiacmtc.com
6. Financial Year reported: 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)- Mens Shirt 100% Cotton Manufacture of all types of textile garments and clothing accessories , NIC Code-14101.
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Shirts, Trousers & Ties
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5):

Zodiac has undertaken business activity in U.A.E. through it's subsidiary and in Germany and UK through it's agents.
 - (b) Number of National Locations:

Zodiac carries out it's business activities from it's 5 manufacturing units located at Koramanagala, Bommasandra, Yelahanka, Umbergaon and A-Z Industrial Estate and from 101 retail stores spread across India and from offices at Mumbai, Kolkata, Delhi, Hyderabad and Chennai.

Details of plant and location of the Company are provided under the head 'Shareholder Information' in the Corporate Governance Report.

10. Markets served by the Company Local/State/National/International – In addition to serving the Indian market, Zodiac exported to 21 countries worldwide during the FY 2020-21.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹2475.95 Lakhs
2. Total Turnover (INR): ₹13,249 Lakhs
3. Total profit after taxes (INR): ₹(2198) Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): In spite of the losses, the Company has contributed Rs. 36.00 Lakhs towards CSR.
5. List of activities in which expenditure in 4 above has been incurred:- Please refer Annexure 1 to Directors Report for CSR activities.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

During the year under review, the Company had 1 Subsidiary and 2 Step down subsidiaries. The details of subsidiaries are enumerated in form "MGT-9 - Extract of Annual Report" available on www.zodiaconline.com.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

All the Company's subsidiaries follow the BR initiatives of the parent Company.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

As part of its BR initiatives, Zodiac also collaborates with the relevant external stakeholders such as suppliers, distributors, local communities and other entities in the value chain. As stakeholders have the ability to influence the way a Company is perceived. Zodiac engages with several stakeholders such as suppliers, distributors, local communities and other entities in the value chain.

At present, the number of entities that directly participate in the BR initiatives would be more than 60%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

a.1. DIN Number: 00068423

a.2. Name: Mr. Salman Yusuf Noorani

a.3. Designation: Vice Chairman & Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00068423
2	Name	Mr. Salman Yusuf Noorani
3	Designation	Vice Chairman & Managing Director
4	Telephone number	022 66677000
5	e-mail id	synsecy@zodiacmtc.com

2. Principle-wise (as per NGRBC) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

P1 To conduct and govern business with Integrity, Ethics, Transparency and Accountability.

P2 To provide goods and services that are Sustainable and safe.

P3 To respect and promote well-being of all employees, including those in its value chains.

P4 To respect the interest of and be responsive to all its Stakeholders

P5 To respect and promote human rights

P6 To respect and make efforts to protect and restore the environment

P7 When engaged in influencing public and regulatory policy, the Company shall do so in a responsible & transparent manner

P8 To promote inclusive growth and equitable development.

P9 To engage with and provide value to its consumers in a responsible manner

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies confirm to the principles laid down in National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.zodiaconline.com/codes-and-policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company internally evaluates its policies on an ongoing basis								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 Months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance of the Company is assessed by the management annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

From the current Financial year, Business Responsibility Report of the Company forms an integral part of the Annual Report which is available on the website of the Company viz. www.zodiaconline.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?
 - The policy relating to ethics, bribery and corruption covers the Company, Group Companies and a majority of it's Suppliers.
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
 - The Company takes appropriate and prompt action on any complaints received and resolves it immediately. The details of shareholder complaints received and resolved during the Financial Year are given in the Corporate Governance Report.

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - z3 range of shirts
 - garment overdyed shirts made for in house brands and export labels
 - organic labelled products
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Head	Bench Mark Year 2019	Bench Mark Year 2020	Reduction percentage
Energy	5,53,708 units	5,32,176 units	3.89%
Water	90,58,340 lts	6,51,6400 lts	28.06%
Diesel	15,984 lts	12,513 lts	21.72%
Furnace oil	1,00,186 lts	1,00,266 lts	-0.08%
Chemicals	85,41,910 rupees worth of consumption	6,07,005 rupees worth of consumption	92.89%

- (b) (Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any major impact on energy and water consumption by consumers. However, the Company endeavors to reduce the consumption of energy and water.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The company has a very well placed system of sustainable sourcing .More than 90% of all the sourcing happens in a sustainable manner where the vendors and all the stake holders are explained about the RSL (restricted substances list) of chemicals and work ethics.

This has resulted in the following benefits for the organization and the supply chain:

- ▶ long-term efficiency savings
- ▶ more efficient and effective use of natural resources.
- ▶ reducing the harmful impact of pollution and waste.
- ▶ reducing the impact of hazardous substances on human health and the environment.
- ▶ encouraging innovation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The company procures almost 80% of its services from local work force in and around the manufacturing units and out of which the majority employed are women.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the company has a very robust process in place for recycling effluents and waste -liquid effluents are recycled to the tune of 93% and solid waste is sent back to recycling units nominated and monitored by the local pollution control board .The entire percentage is very much higher than 10%

Principle 3

1. Please indicate the Total number of employees (as on 31st March, 2021) - **1174**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - **NIL**
3. Please indicate the Number of permanent women employees - **578**
4. Please indicate the Number of permanent employees with disabilities - **NIL**
5. Do you have an employee association that is recognized by management - **No**
6. What percentage of your permanent employees is members of this recognized employee association? - **Not Applicable**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	N.A.
2	Sexual harassment	Nil	N.A.
3	Discriminatory employment	Nil	N.A.

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

- (a) Permanent Employees -

The Company provides safety specific training and on the job skill upgradation training to all it's employees on a continuous basis

- (b) Permanent Women Employees -

- (c) Casual/Temporary/Contractual Employees - N.A.

- (d) Employees with Disabilities - N. A.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes, the Company has mapped its key internal & external stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. The Company from time to time identifies disadvantaged, vulnerable and marginalized stakeholders and provides preferential treatment in its procurement initiatives.

Principle 5

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Company's policy on human rights covers the Company, Group companies and covers a majority of its stakeholders.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
The Company did not receive complaints relating to human rights in the past Financial Year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
The Company's Environment, Health and Safety policy extends to the Company, all its group companies and a majority of its stakeholders.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
Yes, the Company has strategies/initiatives to address global environmental issues such as climate change, global warming, etc. The hyperlink for the webpage is <https://www.zodiaconline.com/sf/>
3. Does the company identify and assess potential environmental risks? Y/N
Yes, the Company has a mechanism to identify and assess potential risks which includes environmental risks.
4. Does the company have any project related to

Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, the Company has undertaken a project that symbolizes its commitment towards an environment friendly and sustainable future. The Company's HIGG Index rating for water is like our fashion quotient - amongst the finest in the country. What's more the dyes & chemicals used are Low Salt High Exhaust (LSHE) genre thereby ensuring they can be broken down by using bacteria & other processes. We are proud to have set the industry standard with a 98.5% efficiency in water consumption and evolving in to a ZLD plant. As per ZDHC guidelines, the rejected water from our plant is far better than even the treated water.

The Company's Corporate registered office building is built with energy efficient design, that results in usage of over 60% less energy than typical office of the same size thereby adhering to the Kyoto Protocol. All the equipments have been selected to meet the building's code of Energy efficiency. The building has been awarded the prestigious GOLD certification under LEED INDIA, (Leadership in Energy and Environmental Design) new construction rating system by Indian Green Building Council for its commitment to sustainable development.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
 - ▶ The Company has undertaken various initiatives on clean technology and energy efficiency. The Company's building is strategically designed to dramatically reduce artificial lighting demand. Sunlight reaches every floor through large floor to ceiling windows. All the exterior windows contain two layers of Low Emissivity which allows visible light in, reducing the need for artificial light, but block heat flow thus reducing energy needed for cooling.
 - ▶ The Company has been using energy efficient equipments, thereby reducing the electrical consumption by nearly 25% over the last 7 years.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes, the Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the Financial Year 2020-21.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:
During the Financial Year 2020-21 the Company has not received any show cause notice from CPCB/SPCB .

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
2. The Confederation of Indian Industry (CII)
3. Indo German Chamber of Commerce (IGCC)
4. Apparel Export Promotion Council (AEPC)
5. Federation of Indian Export Organisation (FIEO)
6. The Clothing Manufacturers Association of India (CMAI)
7. Retailers Association of India (RAI)
8. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company generally espouses only issues which affect the sustainability and competitiveness of the industry.

Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company endeavours on a continuous basis to adhere to the principles of inclusive growth and equitable development through its core business as well as its corporate social responsibility (CSR) initiatives.

Also, the Company has a detailed CSR policy in place and the CSR activities are monitored by the CSR Committee. The key focus areas of the Company's CSR programs are preventive healthcare and Environment protection. The report on CSR projects carried by the Company during the Financial year 2020-21 is annexed to the Board's report.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

The Company through it's inhouse team and other associations including trusts supports CSR initiatives. All the initiatives are monitored by internal teams of the Company.

3. Have you done any impact assessment of your initiative?

The Company reviews the reports of all it's CSR activities on a yearly basis.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company has made a contribution of Rs. 32,00,000/- to Prince Ali Khan Hospital, Mumbai registered as a Charitable Trust and part of the Aga Khan Health Services which promotes healthcare including preventive healthcare and of Rs. 4,00,000/- to Tata Memorial Hospital, a cancer care hospital.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the Community Development Initiatives undertaken are tracked on an ongoing basis through modern monitoring mechanisms.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

The Company has a policy to ensure that all customer complaints are attended to immediately and resolved to the satisfaction of the customer within 30 days. At the end of the Financial year, no customer complaints / consumer cases were pending .

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information).

Yes, the Company displays product information on the products label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases has been filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the Financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company carries out the consumer survey/s to ascertain the consumer satisfaction trends. The Company has a separate Contact form on its website www.zodiaconline.com through which customers can give their feedbacks and suggestions.

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW

FY 21 has been the most challenging year in over five decades. The year began with the advent of the pandemic, where most of the businesses had to face challenges brought about by lockdowns, human distress and deeply impacted consumer confidence. In view of the imminent challenges at hand the priorities for the policy makers were controlling the spread of Covid-19 (providing healthcare despite inadequate facilities) and later ensuring rapid and widespread vaccinations. Aggressive vaccination rollout will contain the virus spread and morbidity, enabling easing of restrictions, encouraging a gradual return to regular economic activity. The Impact of rapid vaccinations that started in late December 2020 in the US & UK had a direct impact in stimulating the economy. As we look forward, markets expect pent up demand to boost up consumption and spending post this pandemic, as has been the case, historically, post every global recession.

According to the IMF's April 2021 World Economic Outlook, the global economy is projected to grow 6% in 2021 and as per OECD economic outlook global economic growth is expected to be 5.8% (moderating to 4.4% in 2022), a sharp upward revision from the December 2020 projection of 4.2%. The differences in the strength of the economic recovery across countries will be driven by the extent of Governmental support towards public health and vaccination policies along with coordinated multi-pronged supportive monetary policy response globally.

The Indian economy had shown signs of recovery by end 2020 and early 2021, but it was hit by a rather unexpectedly virulent second wave of Covid –19 which caused severe strain on healthcare facilities in many parts of the country, leading to a highly traumatic situation nationwide. The scale and effect of the second wave of coronavirus, the selfless contribution of healthcare professionals and frontline workers was truly admirable. This may need re-assessment of growth estimates for FY 22. The risks for the recovery continue to be inflation, unemployment and sluggish pace of vaccinations.

Covid-19 had brought the whole world to a standstill, affecting markets and supply chains globally. Consumer purchase of textiles and clothing were hit badly due to the global lockdowns and economic recession. The global clothing consumption is estimated to have shrunk by 22% in 2020 (from USD 1635 B to USD 1280 B, close to 2.3% of Global GDP). However, 2021 looks brighter given the onset of vaccination drives, growth in e-commerce sales of clothing, and resumption of global supply chains, while addressing the problem of divergence of income per capita. The expectation is it would reach pre-covid levels over the next couple of years, before reverting its growth path to reach USD 2007 billion by 2025.

India's growth forecast for FY 22 is pegged at a spectacular 9.9% as per OECD and is one of the highest among major economies. The economic survey 20-21 projected the economy to grow 11.5% in FY 22, higher than RBI's projection of 9.5%.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

With the shifting consumer behaviour towards sustainability and ecofriendly products and the accelerating digital demand, the clothing industry needs gearing for the new normal. Agility, flexibility and operational resilience will be the key change required for clothing retailers. The Digital channel is expected to continue to be a primary driver of growth in the industry. Brands are rethinking store formats to make them omni channel enabled, leveraging data and analytics to predict footfall and building personalised offerings. With fresh consumer insights Companies are likely to reset their long term strategies and brands are expected to evolve with consumers, while preserving their identity.

The Indian textiles and clothing industry, the 6th most prominent globally, with a size of USD 70 B contributes nearly 4% of the global pie. It employs over 45 million people and is the 5th largest exporter of textiles and clothing worth USD 36.4 billion.

Brands are exploring multiple channels to maximize sales, whether through brick and mortar, pop-up stores, smartphone apps or desktop websites with a view to provide a seamless experience across various platforms while building continued engagement with consumers.

For decades metro cities have attracted small town shoppers, however with increasing social media influence the demand for better quality products and latest fashion trends is growing in the smaller towns along with rising aspirations for branded merchandise. Brands are now foraying into such markets aggressively.

The new generation of consumers (pre & post pandemic) display a strong willingness to spend and are highly discerning about "best in class" offerings in every consumption category and catering to them is a great opportunity.

Indian domestic textile and clothing market was estimated at US\$ 75 billion in 2020-21, having fallen 30% from US\$ 106 billion in 2019-20. The market is expected to recover and grow at 10% CAGR to reach US\$ 190 billion by 2025-26. Clothing constitutes 73% share of the total T&C market in India. In the last decade, the Indian market performed better than the largest consumption regions such as US, EU and Japan where depressed economic conditions led to lower

demand growth. Indian clothing business has grown at a robust CAGR of 8% since 2010, though actually at the bottom of the pyramid.

India's exports of T&C are expected to grow to US\$ 65 billion by 2025-26, growing at a CAGR of 11%. India's T&C imports were US\$ 8.6 billion in 2019-20. However, they are expected to decline by around 35% to reach US\$ 5.6 billion in 2020-21. The imports of T&C are expected to grow at a CAGR of approx. 10% to reach US\$ 15.2 billion by 2025-26.

The Global textile and clothing trade has grown at a CAGR of 4% since 2005 to reach US\$ 839 billion in 2019 and is expected to reach US\$ 1 trillion by 2025, growing at a CAGR of 3%. Clothing dominated T&C trade with a 58% share in the overall trade value. China's share in global T&C trade in 2019 was 34%. The share has come down from 39% in 2015. Vietnam and Bangladesh were the second and the third largest textile and clothing exporters in 2019. India is the 5th largest exporter of T&C in the world with exports worth US\$ 36.4 billion. China has lost approx. 7% share in the US clothing imports which has mainly been taken up by Vietnam, Bangladesh and Cambodia, capitalising on China yielding share.

Indian T&C players were pushed to the brink in 2020, as the Government of India reduced export incentives, in line with guidelines of the World Trade Organization. India is in a comparatively favourable position, China facing political backlash globally, but capitalising on this opportunity would need continuous and concerted effort, with government and industry acting in tandem.

3. OPPORTUNITIES AND THREATS

The COVID-19 pandemic has brought several changes in the clothing manufacturing industry across the world. From alterations in sourcing strategies, sustainability and ecofriendly products, these trends are here to stay even after the pandemic. A major change that was hastened during the pandemic is the buyers across the globe moving out of China and sourcing from other countries. The buyers are looking for new destinations that appear reliable and portray other advantages in terms of cheap labour and duty-free access to major markets. This has given newfound hope in garment manufacturing hubs, each trying its best to grab the attention of the various buyers by showing their respective strengths. In this context, FTA's with the EU/UK, and improved terms of trade with the US will play a crucial role for India.

India's fundamentals continue to be robust due to a predominantly young population, growing urbanization, increasing participation of women in the workforce, rising disposable income, discretionary spending and a growing middle class (post pandemic recovery).

A strong rebound in economic activity is anticipated in India – the question is when ! India's GDP was initially anticipated to fall by 8% which ended up declining by 7.3% in FY 21. India's focus on implementing stringent measures towards saving lives and livelihoods has helped the economy rebound faster than some other emerging markets. Further, the monetary easing, supportive financial regulation and fiscal support were deployed to counter the recession arising out of the lockdowns. The CPI inflation was expected to touch 5% in Q4 of FY 21 but crossed the 5.5% mark and is expected to stabilize around 5.3% in Q4 FY 22.

India's advantage of its domestic consumption share in its GDP being 60% not only insulates India from the vagaries of the global economy but also implies that a sustainable high economic growth directly translates to a sustained consumer demand and merchandise and services.

Covid has significantly impacted India's Clothing exports in FY21 with total trade (YTD) declining by 21% in comparison to FY20. Clothing exports to the USA decreased by 22% in FY 2021 as compared to that of FY 2020. India's export to UAE were least affected with a decline of just 4%.

The black swan event has affected the Indian clothing industry, in terms of both trade and domestic consumption. With the steep reduction in demand due to sudden halt of global trade and domestic sales due to the closure of retail stores, the industry is likely to face unprecedented and severe losses.

The spread of the virus emerged in China and later spread to EU and USA. These are huge markets for Indian textile & clothing products and hence, the Indian textile value chain had to face adverse repercussions of the pandemic with brands postponing their orders from six months upto a year and also initially demanding smaller order quantities at very tight margins as a step to recover from the reduced sales, besides demanding discounts.

Coming to the domestic market, brands are looking at very low consumer sentiment and a steep decline in consumption in the coming year. With the lockdown, there has been a migration of migrant workers going back to their respective places. It will be a challenge to get this workforce back to factories once the restrictions are lifted.

Due to the devastation caused by the covid pandemic, India's imports of clothing declined from US\$ 1135 million in FY 2020 to US\$ 879 Million in FY 2021 i.e. a 23% decrease. India's clothing imports during FY 2021 from China decreased by 16%, from US\$ 392 million to US\$ 329 million.

Perhaps one of the foremost immediate effects of COVID-19 on the Indian textiles industry has been

the slump in sales due to widespread mandatory retail shop lockdowns. With sellers and potential customers following strict social distancing norms, the most proximate impact of this crisis has been on the overall sales of textiles and clothing, especially in malls.

The Indian clothing market is the 2nd Largest after food and grocery and is expected to see recovery in all clothing segments towards the later part of FY 22.

4. SEGMENT WISE PRODUCT WISE PERFORMANCE

The Company is exclusively engaged in the business of clothing and clothing accessories and in the context of the Indian Accounting Standard (Ind As 108) constitutes one single operating segment. The Company's three men's clothing brands Zodiac, ZOD and Z3 are very well known and are market leaders and cater to diverse customer needs.

The geographical segment is identified and given below:

Year Ended 31st March 2021 -

On a Consolidated Basis

(Unit: ₹ Million)

Particulars	India	Rest of the World	Total
Segment Revenue (Net)	3351.82	6658.02	10,009.84
Carrying Cost of Segment Non Current Asset	16,505.96	435.65	16,941.61

5. OUTLOOK

India's textiles sector is one of the oldest industries in the Indian economy, dating back centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum and the capital-intensive sophisticated mills sector on the other end. The decentralized power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country, with the capability to produce a wide variety of products suitable for different market segments, both within India and across the world.

The future for the Indian textiles industry continue to look promising, buoyed by strong domestic consumption as well as export demand with the emergence from the pandemic. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth

in the past decade with the entry of several international players into the Indian market.

High economic growth during the decade has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

The United States (US) economy shrank by 3.5% in 2020 and is now projected to return to its pre-covid level and grow by 6.4% in 2021. The United Kingdom contracted by 9.9% in 2020 and is estimated to expand by 5.3% in 2021. The EU shrank by 6.6% in 2020 and is forecasted to rise by 4.4% in 2021. The projected outlook takes into consideration additional fiscal policy support recently announced for 2021 in most countries.

The government having, taken a fresh look at the potential for generating gender sensitive employment by the clothing industry, is formulating several measures to provide a fillip to the industry.

6. RISKS AND CONCERNS

The pandemic has once again driven home the urgency of managing operational and supply-chain risk. While every goods-producing sector is confronting this challenge, the clothing industry stands out as one of the most heavily exposed. Players are not only coping with workplace health and safety issues, they also face financial distress from orders drying up as falling consumer demand hits fashion brands and retailers worldwide, besides the banks strangulating the sector (which is mostly MSME's) with unreasonable terms.

FY21 saw the most unprecedented challenges due to the onset of Covid. Clothing being a discretionary spend, has been severely impacted and the unprecedented crisis highlighted the need to:

- Survive, revive and grow the business inspite of the pandemic and beyond
- Respond to the health and safety needs of the employees
- Work from home and wellness initiatives
- Cost & cash conservation
- Timely payment of wages and salaries, despite the above

The unequal impacts of Covid-19 on Global clothing supply chains has found that workers in Ethiopia, Honduras, India, and Myanmar who produce many of the clothes we buy from our favourite brands in the UK and Europe were severely affected by the pandemic. During the early days of the pandemic, Billions of Dollars worth of cancelled orders forced many manufacturers globally to lay off staff.

Clothing stands out as one of the industries with the largest share of total exports that could potentially move to different countries (36 to 57 percent in clothing, supply

chains are already evolving in these highly traded, labour-intensive industries). China has long been the world's dominant maker, and it still accounts for some 29 percent of clothing sold globally. But the country's wages are rising, and Chinese producers can now focus on meeting domestic demand. In 2005, China exported 71 percent of the finished clothing goods it produced. By 2018, that share was just 29 percent. While some clothing production may nearshore to US and EU markets, most would likely shift to Southeast Asian countries due to their comparative advantage in labour and overhead costs. As China's exports have plateaued, clothing manufacturing for export has moved to places such as Bangladesh, Myanmar and Vietnam. Turkey has become a major producer of clothing that is exported to Europe. Newer hubs such as Cambodia, Ethiopia and Honduras are also beginning to emerge. But companies that begin sourcing from these and other developing economies will need to understand and safeguard against a wide range of risk, from natural disasters to future pandemics.

Some of the other key risks are:

1. Inability to keep pace with fast fashion and consumer needs which are deeply influenced by social and electronic media.
2. Subsequent waves of the pandemic may further disrupt the Indian clothing industry operations.
3. Deep discounts on e-commerce channels that are built around only building scale is already hurting the fashion clothing retail industry.
4. The penetration of technology and growing e-retail space in the entire value chain has enabled start-ups to enter the industry with much larger aggression.
5. Entry of major international clothing brands into the Indian market.
6. The ability to align the cost structure with the scale of business.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems, which are supplemented by an exhaustive process of internal audit (conducted by M/s. M. J. Mange & Associates), which is regularly subjected to in-depth involvement of the management and monitored by the Company's Audit Committee. Internal Audit covers the various functions, processes and other activities, including own retail operations of the Company. Transactions are authorised, recorded and reported accurately and subjected to audit as well. The system of internal controls also ensures that all assets are safeguarded, insured and protected against loss.

8. COMPANY'S FINANCIAL PERFORMANCE

(₹ in lakhs)

	2020 - 21	2019 - 20
Total Revenue from Operations (Net)	13,429	20,682.39
PROFIT/(LOSS) BEFORE TAXATION	(2,317)	(2,335.42)
Provision for Taxation:		
Current Tax	113	110
Deferred tax Charge/(Credit)	(35)	(337.61)
Tax in respect of earlier years	(4)	24.98
PROFIT/(LOSS) AFTER TAXATION	(2,391)	(2,132.79)
Other Comprehensive Income / (Loss)	193	(1146.59)
Total Comprehensive Income for the year	(2,198)	(3279.38)

Operational Revenue & Profits:

The operating results of the Company have been affected, in a year that presented several challenges especially in the MBO and retail segment of the Company's business., as well as the international business which was additionally affected by wide spread disruption and opportunism by overseas buyers. The consumer sentiment was lacklustre, across channels, with possibly the exception of our webstore. During the year, the Company apart from initiating several efforts to expedite the growth of its online business, has also, besides closing down unviable stores, continued to move from fixed cost to the variable cost in respect of several of its heads of expenses wherever possible and moving to an asset light model. This is expected to aid the Company in reducing a large part of its fixed expenses (as witnessed in FY 21) and bring down its losses substantially.

The Company's exports during the year has also declined due to the slowdown in the global demand, reduction in reimbursement of duties and competition from China, Bangladesh and Vietnam.

During the year the Company is in compliance with the Code of Conduct for Prevention of Insider Trading formulated in terms of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

During the year 13 new Stores were opened (29 unviable stores closed – a net decrease of 16 stores) with 101 stores at the end of the year.

9 HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATIONS

The Company recognizes the need of continuous growth and development of its employees to meet the challenges posed by a rapidly growing consumer facing organization, besides fulfilling their own career path objectives. Consequently the role of Human Resources continues to remain vital and strategic to the Company.

The Company's belief that its people are the primary source of its sustainable competitive advantage drives its consistent emphasis on HRD, which remains vital and strategic to the Company. Cordial employee relations, in keeping with tradition, are being pursued vigorously. Employees recruitment, training and development are key focus areas with policies, processes and extensive use of technology to attract, retain and build on skills of high calibre employees. In keeping with the Company's philosophy of a healthy and safe work environment, regular independent third party audits, certification and training programmes are carried out. Industrial relations have continued to be harmonious throughout the year. This has been possible by creating a performance driven culture against the backdrop of care and concern for all employees.

As per the guidelines issued by the Government the Manufacturing & Operations resumed with safety protocols when our company resumed operations post-lockdown. All safety measures were strengthened including checking body temperature, social distancing protocols, avoiding in-person meetings, fumigation and sanitization of workplace, including individual workstations etc. We also have done Covid-19 Vaccination to all employees of the Company.

The Board wishes to place on record its appreciation to all the employees of the Company for their innovative approach and revitalised efforts in these challenging times, which translate to greater efficiency, leading to continuing improvement in the different parameters of business.

10. STANDALONE KEY FINANCIAL RATIOS

Particulars	As at March 31, 2021	As at March 31, 2020
Debtors Turnover Ratio	6.11	9.90
Inventory Turnover Ratio	1.21	2.16
Interest Coverage Ratio	(4.71)	(5.37)
Current Ratio	1.86	1.76
Debt Equity Ratio	0.16	0.24
EBITDA Margin	0.09%	0.14%
Operating Profit Margin	-0.19%	-0.10%
Net Profit Margin	-0.24%	-0.11%
Return on Net Worth	-0.08%	-0.09%
Return on Average Capital Employed	-0.81%	-0.90

Note: Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage Ratio, Debt Equity Ratio, EBITDA Margin, Operating Profit Margin, Net Profit Margin - Ratios have been impacted due to decline in revenue and profitability on account of COVID-19.

11. CAUTIONARY STATEMENT

Statements in the report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable Security Laws or Regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those express or implied. Important factors that could make a difference to the Company's operation include global demand-supply conditions, finished goods prices, raw materials cost and availability, pandemic changes in Government regulations and tax structure, economic development within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations in India, trade agreements, especially with the EU and the US.

The Company assumes no responsibility in respect of forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, Information or events.

Place: Mumbai

Date: 30th June, 2021

A. Y. Noorani

Chairman

A MASTERCLASS FOR THE DISCERNING FEW, WHO DEMAND ONLY THE BEST

Almost Invisible Stitching

An unmatched, very fine, 21 stitches per inch for an almost invisible stitch line, that also strengthens the seams. Our buttonholes get 120 stitches per inch – almost double the industry standard.
True luxury lies in the details.

Signature Trinity Buttons

All our premium shirts come with our trademark three-hole, genuine Mother-Of-Pearl “Trinity” buttons.
Understated but never underestimated.

Choice of Cuffs

We offer the traditional single cuff and the stylish double cuff, both detailed with the finest interlinings from Germany.
All our single cuffs come with 2 buttonholes to accommodate cufflinks that elevate your formal look.

Range of Collars

Gentlemen, be spoilt for choice with collars that range from the classic Kent or Point to the contemporary Cutaway, from the Contrast for the Wall Street look to the stylish Mandarin or Band.

Superior Fit

Impeccable fits to suit diverse body types - Classic, Tailored and Slim. And if that was not enough, a deeper back yoke ensures a superior fall.

Only The Finest Fabric

Sartorial elegance offered in the finest, long-staple, 2-ply Egyptian cotton, pure Linen from French Flax and the very rare, Italian woven, single 100's in Giza 87 cotton.

Z O D I A C
FINEST QUALITY CLOTHING

——— www.zodiaconline.com ——

Almost Invisible Stitching

Range of Collars

Signature Trinity Buttons

Superior Fit

Choice of Cuffs

Only The Finest Fabric



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Zodiac Clothing Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are

independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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.

Emphasis of Matter

4. We draw your attention to Note 48 to the standalone financial statements, which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the Covid-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of carrying value of property, plant and equipment (including capital work-in-progress), right of use assets and other intangible assets (together referred as the "Assets") (Refer to Notes 4(a), 4(b), 4(c) and 6 in the standalone financial statements)</p> <p>The carrying value of Assets is ₹ 13,748.48 Lakhs as at March 31, 2021 which is significant to the balance sheet. The Management has assessed whether there are any indications for impairment of Assets considering internal and external sources of information, as per Ind AS 36 – Impairment of Assets.</p> <p>For the purposes of impairment testing, the carrying value of the cash generating unit (CGU) was compared to the recoverable amount of CGU. The Company has applied fair value less costs of disposal method in determining the recoverable value of CGU. In this connection, the Management has engaged an external registered valuer to determine the fair value of immovable properties and, the fair value of other assets were determined on the basis of management's judgement and estimates.</p> <p>Based on the assessment, the Management has concluded that no impairment was required as of March 31, 2021. Considering significant carrying value of Assets, involvement of valuation expert, judgment and estimates made by Management, we have considered this as a Key Audit Matter.</p>	<p>We have performed audit procedures including the following:</p> <ul style="list-style-type: none"> • Obtained understanding, evaluated and tested the design and operating effectiveness of the Company's relevant controls relating to impairment assessment including determining recoverable value of Assets. • Assessed whether the Company's identification of CGU is appropriate. • Perused the report issued by the external registered valuer engaged by the management. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management for valuation of immovable properties. • Engaged auditors' valuation experts to assess appropriateness of valuation methodology. • Verified the input data in the valuation report of immovable properties (such as description, area etc.) with the agreements. • Evaluated the reasonableness of assumptions applied by management, in determining the fair value of other assets. • Verified the mathematical accuracy of underlying calculations of recoverable amount and compared with the carrying value of Assets. • Performed sensitivity analysis over the key assumptions, to assess the potential impact on impairment results and the range of possible outcomes of recoverable value of Assets. <p>Based on the above procedures performed by us, we found the Management's assessment of carrying value of Assets to be reasonable.</p>

<p>Assessment of recoverability of deferred tax assets (Refer to Note 37 in the standalone financial statements)</p> <p>The carrying value of Deferred Tax Assets is ₹ 1,564.88 Lakhs as at March 31, 2021. Deferred tax assets are recognised on unabsorbed depreciation and other temporary differences as it is considered to be recoverable based on the Company’s projected future taxable income, in line with Ind AS 12 – Income Taxes.</p> <p>We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of projected future taxable income considering the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer. The Management has also engaged tax expert to assess utilization of available tax benefits in accordance with prevailing taxation laws.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated and tested the design and operating effectiveness of key controls relating to recognition and assessment of deferred tax assets. • Reviewed the Company’s accounting policy in respect of recognizing deferred tax asset on temporary differences and unabsorbed depreciation • Evaluated the judgements and assumptions made by the Management in determining the projected future taxable income for reasonableness. • Checked the mathematical accuracy of the underlying calculations of the projections. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management. • Verified the input data in the valuation report of immovable properties (such as description, area) with agreements and assessed the appropriateness of tax rate applied to the projected future taxable income. • Engaged with auditors’ tax experts to assess utilization of available tax benefits against the projected future taxable income in accordance with prevailing taxation laws and consequential recognition of deferred tax assets • Performed sensitivity analyses on the projected taxable profits by varying key assumptions, within reasonably foreseeable range. • Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. <p>Based on the above procedures performed by us, the Management’s assessment of recoverability of deferred tax assets was considered to be reasonable.</p>
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Other Information

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the chairman’s statement, director’s report, annexure to director’s report, report on corporate governance and management discussion and analysis but does not include the standalone financial statements and our auditor’s report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

7. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. 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. The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
11. 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.
 12. 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.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows 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.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39(i) to the standalone financial statements.
 - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
- 16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sachin Parekh
Partner

Place : Mumbai Membership Number: 107038
Date : June 30, 2021 UDIN: 21107038AAAAEM3596

ZODIAC CLOTHING COMPANY LIMITED
Standalone Balance Sheet as at March 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4(a)	9,722.78	10,998.63
	Right-of-use assets	4(c)	3,857.84	7,134.97
	Capital work - in - progress	4(b)	5.44	186.94
	Investment properties	5	1,132.18	744.63
	Intangible assets	6	162.42	210.67
	Financial assets			
	- Investments in subsidiary	7	65.91	65.91
	- Investments	8	3,000.84	2,663.17
	- Loans	9	1,123.08	930.85
	- Others financial assets	10	1.00	1.00
	Deferred tax assets (net)	37	1,564.88	1,571.89
	Non - Current tax assets (net)	37	1,050.47	1,324.86
	Other non - current assets	11	508.92	184.39
2	Current assets			
	Inventories	12	7,692.60	8,821.91
	Financial assets			
	- Investments	13	620.63	164.65
	- Trade receivables	14	1,674.14	1,598.28
	- Cash and cash equivalents	15	91.36	546.31
	- Bank Balances other than cash and cash equivalents	16	43.14	48.87
	- Loans	17	174.71	901.29
	- Other financial assets	18	85.49	5.67
	Current tax assets (net)	37	234.56	-
	Other current assets	19	2,156.73	2,509.70
3	Assets classified as held for sale	20	178.78	-
	TOTAL ASSETS		35,147.90	40,614.59
II	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	21	2,475.95	2,247.77
	Other equity	22	20,325.57	20,251.84
2	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Borrowings	23	813.44	1,671.62
	- Lease Liabilities	4(c)	3,089.38	5,619.29
	- Other financial liabilities	26	22.83	-
	Other non-current liabilities	28	36.21	-
	Current liabilities			
	Financial liabilities			
	- Borrowings	24	3,560.58	4,298.62
	- Lease Liabilities	4(c)	1,503.20	2,533.94
	- Trade payables	25		
	- total outstanding dues of micro and small enterprises		54.18	37.94
	- total outstanding dues of creditors other than micro and small enterprises		2,291.57	2,222.11
	- Other financial liabilities	26	148.51	666.67
	Provisions	27	85.39	134.42
	Other current liabilities	28	741.09	930.37
	TOTAL EQUITY AND LIABILITIES		35,147.90	40,614.59
	Significant Accounting Policies	2		

The accompanying notes (1 - 51) are an integral part of these standalone financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of Board of Directors

A. Y. NOORANI
Chairman
DIN: 00041608

S. Y. NOORANI
Vice Chairman and Managing Director
DIN: 00068423

Sachin Parekh
Partner
Membership No. 107038

B. MAHABALA
Chief Financial Officer

KUMAR IYER
Company Secretary

Mumbai
June 30, 2021

Mumbai
June 30, 2021

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	INCOME			
	Revenue from operations	29	9,994.97	18,938.71
	Other income	30	3,254.49	1,743.68
	Total Income		13,249.46	20,682.39
II	EXPENSES			
	Cost of materials consumed	31	3,384.15	6,914.13
	Purchases of stock-in-trade		114.21	357.25
	Changes in inventories of finished goods, stock-in-trade and work-in progress	32	813.89	(500.96)
	Employee benefits expense	33	3,838.46	5,400.56
	Finance costs	34	903.63	1,385.56
	Depreciation and amortization expense	35	2,305.65	3,515.30
	Other expenses	36	4,206.00	5,945.97
	Total expenses		15,565.99	23,017.81
III	Loss before tax		(2,316.53)	(2,335.42)
IV	Tax expense	37		
	Current tax		113.30	110.00
	Deferred tax credit		(35.20)	(337.61)
	Tax in respect of earlier years		(3.77)	24.98
V	Loss for the year		(2,390.86)	(2,132.79)
VI	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of net defined benefit plans	41	73.49	(76.35)
	- Equity Instruments through Other Comprehensive Income		51.62	(1,003.00)
	- Income tax relating to above items		(11.72)	-
	(ii) Items that may be reclassified to profit or loss			
	- Net gains/(losses) on cash flow hedges		109.87	(93.15)
	- Income tax relating to above items		(30.49)	25.91
VII	Total Comprehensive Loss for the year		(2,198.09)	(3,279.38)
VIII	Loss per equity share of ₹10 each	40		
	Basic (₹)		(10.61)	(9.65)
	Diluted (₹)		(10.61)	(9.65)
	Significant Accounting Policies	2		

The accompanying notes (1 - 51) are an integral part of these standalone financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of Board of Directors

A. Y. NOORANI

Chairman
DIN: 00041608

S. Y. NOORANI

Vice Chairman and Managing Director
DIN: 00068423

Sachin Parekh

Partner
Membership No. 107038

B. MAHABALA

Chief Financial Officer

KUMAR IYER

Company Secretary

Mumbai
June 30, 2021

Mumbai
June 30, 2021

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Cash Flows for the year ended March 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(2,316.53)	(2,335.42)
Adjustments for:		
Depreciation and amortization expenses	2,305.65	3,515.30
Finance cost	903.63	1,385.56
Unrealised exchange gain on foreign currency translation / transaction (net)	(29.86)	(21.40)
Dividend Income	(685.38)	(710.83)
Rent income	(140.15)	(386.13)
Unwinding of discount on security deposits	(77.66)	(106.73)
Interest income	(15.96)	(3.70)
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	(554.23)	(218.57)
Covid-19 related Rent Concessions	(1,152.20)	-
Gain on termination / remeasurement of lease contracts	(614.75)	(172.84)
Bad debts, loans, advances, deposits etc. written off (net of provision written back)	262.45	79.66
Net Loss on sale/discard of property, plant and equipment	184.19	36.80
Operating (Loss) / profit before working capital changes	(1,930.80)	1,061.70
Adjustments for:		
Decrease in trade and other receivables	456.55	425.42
Decrease / (Increase) in inventories	1,129.31	(137.61)
(Decrease) in trade and other payables	(536.58)	(199.65)
(Decrease) / Increase in provisions	24.46	(59.47)
Less: Direct taxes paid (net of refunds)	(857.06)	1,090.39
Less: Direct taxes paid (net of refunds)	(69.70)	(110.79)
Net cash flows (used in) / generated from operating activities	(926.76)	979.60
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of property, plant and equipment	29.70	4.82
Interest received	11.38	3.90
Rent received	243.51	386.13
Sale proceeds of non-current investments	396.45	983.46
Sale proceeds of current investments (Net)	-	965.80
Dividend received	685.38	710.83
Proceeds from Term Deposits (Net)	4.04	-
	1,370.46	3,054.94
Outflows		
Purchase of property, plant and equipment/ intangible assets	(153.47)	(417.57)
Purchase of current investments (Net)	(425.33)	-
Purchase of non-current investments	(158.98)	(182.87)
Investment in Term Deposits (Net)	-	(7.04)
	(737.78)	(607.48)
Net cash generated from investing activities	632.68	2,447.46
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from issue of equity shares (including securities premium) / Share Warrants	2,500.00	500.00
Proceeds from non-current borrowings	1,094.65	1,671.62
	3,594.65	2,171.62
Outflows		
Repayment of non-current borrowings	(2,013.94)	(210.82)
Repayment of current borrowings (net)	(738.04)	(1,448.84)
Payment of Principal portion of lease liabilities	(77.46)	(2,213.03)
Interest paid on lease liabilities	(477.68)	(939.57)
Interest paid on others	(448.40)	(444.20)
Dividend paid	-	(212.95)
	(3,755.52)	(5,469.41)
Net cash used in financing activities	(160.87)	(3,297.79)
Net increase / (decrease) in cash and cash equivalents	(454.95)	129.27
Add : Cash and cash equivalents at beginning of the year	546.31	417.04
Cash and cash equivalents at end of the year	91.36	546.31
Non-cash financing and investing activities	Year Ended March 31, 2021	Year Ended March 31, 2020
Acquisition of right-of-use assets	342.50	859.32
Cash and cash equivalent as per above comprises of the following	As at March 31, 2021	As at March 31, 2020
Cash on hand	2.24	0.65
Balances with Banks	89.12	545.66
Total	91.36	546.31

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes (1 - 51) are an integral part of these standalone financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sachin Parekh

Partner

Membership No. 107038

Mumbai

June 30, 2021

For and on behalf of Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai

June 30, 2021

S. Y. NOORANI

Vice Chairman and Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at April 01, 2019		2,129.46
Changes in equity share capital	21	118.31
As at March 31, 2020		2,247.77
Changes in equity share capital	21	228.18
As at March 31, 2021		2,475.95

B. Other Equity

Particulars	Money received against Share Warrants	Reserves and Surplus						Other Comprehensive Income (OCI)			Total
		Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve		
Balance as at April 01, 2019	1,500.00	5,519.01	8.16	15.84	200.00	2,677.51	12,266.16	2,172.46	43.40	24,402.54	
Loss for the year	-	-	-	-	-	-	(2,132.79)	-	-	(2,132.79)	
Other Comprehensive Income for the year	-	-	-	-	-	-	(76.35)	(1,003.00)	-	(1,079.35)	
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	(67.24)	(67.24)	
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,209.14)	(1,003.00)	(67.24)	(3,279.38)	
Adjustment on adoption of Ind AS 116 (net of deferred tax ₹384.13 Lakhs) (Refer Note 47)	-	-	-	-	-	-	(996.66)	-	-	(996.66)	
Transactions with owners in their capacity as owners:											
Share Application Money received	500.00	-	-	-	-	-	-	-	-	500.00	
Allotment of Equity Shares (including Securities Premium)	(2,000.00)	-	-	-	-	-	-	-	-	(2,000.00)	
Premium Received on Issue of Equity Shares	-	1,881.69	-	-	-	-	(212.95)	-	-	1,881.69	
Dividends	-	-	-	-	-	-	707.82	(707.82)	-	(212.95)	
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	-	-	(43.40)	(43.40)	
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	-	-	
Balance as at March 31, 2020	-	7,400.70	8.16	15.84	200.00	2,677.51	9,555.23	461.64	(67.24)	20,251.84	
Loss for the year	-	-	-	-	-	-	(2,390.86)	-	-	(2,390.86)	
Other Comprehensive Income for the year	-	-	-	-	-	-	73.49	39.90	-	113.39	
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	12.14	12.14	
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	67.24	67.24	
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,317.37)	39.90	79.38	(2,198.09)	
Transactions with owners in their capacity as owners:											
Premium Received on Issue of Equity Shares	-	2,271.82	-	-	-	-	-	-	-	2,271.82	
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	185.18	(185.18)	-	-	
Balance as at March 31, 2021	-	9,672.52	8.16	15.84	200.00	2,677.51	7,423.04	316.36	12.14	20,325.57	

The accompanying notes (1 - 51) are an integral part of these standalone financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

S. Y. NOORANI

Vice Chairman and Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

Sachin Parekh

Partner

Membership No. 107038

Mumbai

June 30, 2021

Mumbai

June 30, 2021

1 Background and Operations

Zodiac Clothing Company Limited ('the Company') incorporated in India having registered office at Mumbai and manufacturing facilities at Bengaluru, Umbergaon and Mumbai. The Company deals in clothing and clothing accessories.

2 Significant accounting policies

(a) Basis of preparation of Standalone Financial Statements

(i) Compliance with Ind AS

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)], and other relevant provisions of the Act.

(ii) Going Concern Assessment

The Directors of the Company have assessed its liquidity position (including the impact of COVID-19 and possible sources of funds). The Board of Directors are confident of the Company's ability to meet its obligation atleast for the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on going concern basis.

(iii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material - Amendments to Ind AS 1, Presentation of Financial Statements and IndAS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Definition of Business - Amendments to Ind AS 103, Business Combinations
- Covid 19 related rent concessions - Amendments to Ind AS 116, Leases
- Interest Rate Benchmark Reform - Amendment to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures

The Company has applied Covid 19 related rent concessions which had material impact on the financial statements. Refer Note 2(f) and 4(c) for

details. The other amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

(v) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(vi) Rounding off amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the standalone financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

The Company depreciates its property, plant and equipment on a straight line method net of residual values over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for the following class of assets, useful life for which is based on a technical evaluation and taking into consideration

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

nature of Company’s business and past experience of usage of such assets:

Description of asset	Useful life followed by the Company	Useful life as prescribed under Schedule II
Plant and equipment	21 Years *	15 Years *
Furniture and fixtures	16 Years	10 Years
Office equipments	21 Years	5 Years
Computer (including servers)	6 Years	3 - 6 Years
Electrical Installation	21 Years	10 Years

* Based on single shift

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term. Period of lease is either the primary lease period or where the Company as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

The residual values are generally not more than 5% of the original cost of the asset.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

“Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale.”

(d) 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 initially recognized at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment

property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties, net of residual value are depreciated using the straight-line method over their useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act.

(e) Intangible assets

Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method

The Company amortizes intangible assets using the straight-line method over following period:

Nature of intangible asset	Useful life
- Computer Software	6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(f) Lease

As lessee

The Company’s lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments and payments to be made under reasonably certain extension option

are also included in measurement of liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The amount on remeasurement of lease liability is adjusted to the right of use asset and any remaining amount is recognised in statement of profit and loss.

Lease liability and ROU asset have been presented separately on the face of the Balance Sheet and lease payments have been classified as financing cash flows.

Covid-19-Related Rent Concessions:

The Ministry of Corporate Affairs vide notification dated 24 July 2020, issued an amendment to Ind AS 116- Leases, by inserting a practical expedient on “Covid19-Related Rent Concessions”. Pursuant to the above amendment, the Company has applied the practical expedient by accounting the unconditional rent concessions in the Statement of Profit and Loss, in respect of leases, which has satisfied following conditions:

- i) the change in lease payments results in revised consideration for the lease that is less than, the consideration for the lease immediately preceding the change
- ii) any reduction in lease payments affects only payments originally due on or before the June 30, 2021
- iii) there is no substantive change to other terms and conditions of the lease.”

The Company has recognised such Covid-19 related rent concessions as other income in the period in which such concessions are agreed with lessor, with corresponding impact to lease liabilities.

As lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(g) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, Bank overdrafts, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Inventories

Inventories of Raw Materials, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated ‘at cost or net realisable value, whichever is lower’. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is ‘First-in-First-Out’, ‘Weighted Average cost’ or ‘Specific Identification’, as applicable.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

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

Slow-moving, non-moving and defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc.

(i) Investment in subsidiary

Investment in subsidiary is recognised at cost (less, impairment, if any), as per Ind AS - 27 ‘Separate Financial Statements’.

(j) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition

Purchases and sales of financial assets are recognised on trade - date, being the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments

are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as other income in the Statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, are measured at amortised cost e.g., loans, deposits, and bank balance.
- (b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(v) Derecognition

A financial asset is derecognised only when

- the Company has transferred the rights to receive the cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(vi) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs.

Other interest and borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

Contingent assets disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

(n) Revenue recognition

Sale of goods - Wholesale

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transfer to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of goods - Retail

The Company operates a chain of retail stores. Revenue from the sale of goods is recognised when the Company sells a product to the customer. Payment of transaction price is generally due immediately when the customer purchases the goods and takes delivery in store.

Sales return

Accumulated experience is used to estimate and provide for the sales return, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected sales return in relation to sales made until the end of the reporting period.

Service income

Sale of services - Revenue is recognised based on actual service provided at the end of the reporting period as proportion of total service to be provided.

Other operating revenue - Export incentives

Export incentives under various schemes of Government of India are accounted on accrual basis on the basis of exports made and when there is reasonable assurance that the Company will comply with the conditions and incentive will be received.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end

of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The obligations are presented as current liabilities in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

Defined Benefits Plan

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

The Company pays Provident Fund (PF) contributions, Employees State Insurance Scheme (ESIC) etc., to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the company

before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for structuring that is within the scope of Ind AS-37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(p) Foreign currency transactions

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(q) Derivative and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitment transactions (sales orders/purchase orders) (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objectives and strategy for

undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

Cash flow hedges that qualify for hedge accounting –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

When forward contracts are used to hedge forecast transactions, the Company designates them in entirety as the hedging instrument. Gains or losses relating to effective portion of fair value of forward contracts are recognised in the other comprehensive income in the cash flow hedging reserve within other equity.

When the option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument.

Amounts accumulated in equity are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss i.e when the underlying sales or purchase transaction occurs.

The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Derivative Contracts other than cash flow hedges:

Derivative contracts which are not designated as cash flow hedges, are accounted for at fair value through profit or loss and are included in Statement of Profit and Loss.

(r) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns

with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity

shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

(t) Segment Reporting:

“Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker(CODM). The CODM, being the Managing Director assesses the financial performance and position of the Company and makes strategic decisions.”

(u) Impairment of non-financial assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(v) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

(w) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

(x) Recent Accounting Pronouncements:

Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 on 18 June, 2021. The amendments to Ind AS are:

- Amendment to interest rate benchmark reform - Amendment to Ind AS 107 and Ind AS 109
- Extending optional practical expedient for lessees with respect to Covid-19 related rent concession - Amendment to Ind AS 116

The Company has decided to apply these amendments effective April 01, 2021.

The Company has received rent concessions related to COVID - 19 subsequent to year end (which complies with extended practical expedient condition) and is currently assessing its impact. Further, based on the assessment, the other amendments listed above are not expected to have any material impact on the Company’s stand-alone financial statements.

3 Critical estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 41).
- Recoverability of deferred tax assets (Refer Note 37).
- Allowance for doubtful debts (Refer Note 14 and 45).
- Fair value of Investment properties (Refer Note 5)
- Direct tax litigations (Refer Note 39)
- Determination of lease term (Refer Note 4(c))
- Impairment of non-financial assets (Refer Note 2(u))
- Impact of Covid-19 (Refer Note 48)
- Provision for Inventory Obsolescence (Refer Note 2(h) and 12)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(a) Property, Plant and Equipment

	Land		Buildings	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Total
	Freehold	Leasehold									
Gross Carrying Amount											
Balance as at April 01, 2019	420.90	2.54	3,302.52	2,425.91	3,872.22	2,778.57	55.18	650.97	224.50	835.46	14,568.77
Additions	-	-	-	126.62	3.37	115.65	-	28.96	9.53	68.32	352.45
Disposals	12.49	-	-	113.48	1.07	6.93	1.32	6.12	0.24	5.79	147.44
Adjustment on adoption of Ind AS 116 (Refer Note (v) below and Note 47)	-	2.54	-	-	-	-	-	-	-	-	2.54
Balance as at March 31, 2020	408.41	-	3,302.52	2,439.05	3,874.52	2,887.29	53.86	673.81	233.79	897.99	14,771.24
Additions	-	-	-	54.64	10.24	43.01	-	4.43	1.98	17.13	131.43
Disposals	-	-	-	135.69	121.33	39.97	6.98	8.33	2.40	31.79	346.49
Assets classified as held for sale (Refer Note (vi) below and Note 20)	-	-	-	-	85.18	-	-	-	-	-	85.18
Reclassified to Investment Property (Refer Note (vi) below and Note 5)	45.94	-	411.21	-	-	-	-	-	-	-	457.15
Balance as at March 31, 2021	362.47	-	2,891.31	2,358.00	3,678.25	2,890.33	46.88	669.91	233.37	883.33	14,013.85
Accumulated depreciation											
Balance as at April 01, 2019	-	0.60	239.03	873.04	662.06	670.79	40.63	105.09	145.88	130.65	2,867.77
Additions	-	-	78.46	355.11	225.15	232.41	0.86	36.84	19.30	63.13	1,011.26
Disposals	-	-	-	99.41	0.13	2.81	0.52	1.61	0.24	1.10	105.82
Adjustment on adoption of Ind AS 116 (Refer Note (v) below and Note 47) "	-	0.60	-	-	-	-	-	-	-	-	0.60
Balance as at March 31, 2020	-	-	317.49	1,128.74	887.08	900.39	40.97	140.32	164.94	192.68	3,772.61
Additions	-	-	82.09	155.06	220.02	192.76	0.60	35.59	17.67	45.59	749.38
Disposals	-	-	-	53.16	58.34	18.66	4.74	1.74	2.40	8.92	147.96
Assets classified as held for sale (Refer Note (vi) below and Note 20) "	-	-	-	-	29.30	-	-	-	-	-	29.30
Reclassified to Investment Property (Refer Note (vi) below and Note 5)	-	-	53.66	-	-	-	-	-	-	-	53.66
Balance as at March 31, 2021	-	-	345.92	1,230.64	1,019.46	1,074.49	36.83	174.17	180.21	229.35	4,291.07
Carrying Amounts											
Balance as at March 31, 2020	408.41	-	2,985.03	1,310.31	2,987.44	1,986.90	12.89	533.49	68.85	705.31	10,998.63
Balance as at March 31, 2021	362.47	-	2,545.39	1,127.36	2,658.79	1,815.84	10.05	495.74	53.16	653.98	9,722.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(b) Capital Work in Progress

Capital Work in Progress (Refer Note iv)	Opening carrying amount	Additions	Disposals	Assets classified as held for sale	Transfer	Closing carrying amount
For the year ended March 31, 2020	203.25	8.97	-	-	25.27	186.94
For the year ended March 31, 2021	186.94	-	15.36	122.90	43.24	5.44

Notes:

- Refer Note 39 for disclosure of contractual commitments for acquisition of property, plant and equipment.
- Refer Note 38 for information on property, plant and equipment pledged as security by the Company.
- Buildings acquired pursuant to the scheme of amalgamation are pending registration in the name of the Company having carrying amounts ₹2172.20 Lakhs (March 31, 2020 ₹2,218.47 Lakhs).
- Capital Work in Progress primarily includes furniture & fixtures and Lease hold improvements related to retail shops.
- Pursuant to the adoption of Ind AS 116, leasehold land is presented as Right of use assets (Refer Note 4(c)).
- The Company as part of cost reduction measure has consolidated its plant operations, consequent to which, has transferred land having carrying value of ₹45.94 Lakhs and Building having carrying value of ₹357.55 Lakhs as at March 31, 2021 situated at Whitefield, Bengaluru to Investment properties, as it intends to hold aforesaid assets for long term capital appreciation purposes. Further, the Company has identified, plant & machinery having carrying value of ₹55.88 Lakhs and plant & machinery under installation having carrying value of ₹122.90 Lakhs as at March 31, 2021 as held for sale.

4(c) Leases

This note provides information for leases where the Company is a lessee. The Company leases Land and Building (retail stores, factories, warehouse, offices, guest house etc.). Rental contracts are typically made for periods of 1 years to 9 years, but may have extension options as described in (iv) below.

(i) Amounts recognised in balance sheet		
The balance sheet shows the following amounts relating to leases:		
Particulars	As at March 31, 2021	As at March 31, 2020
Right of use assets		
- Leasehold Land	1.54	1.74
- Buildings	3,856.30	7,133.23
Total	3,857.84	7,134.97

Set out below are the carrying amounts of right of use assets recognised and movements during the year:

Particulars	Lease hold Land *	Buildings	Total right of use assets
I. Gross carrying amount			
Balance as at April 01, 2019	2.54	17,575.06	17,577.60
Additions	-	859.32	859.32
Deductions on disposals	-	4,991.02	4,991.02
Balance as at March 31, 2020	2.54	13,443.36	13,445.90
Additions	-	342.50	342.50
Deductions on disposals	-	4,296.76	4,296.76
Balance as at March 31, 2021	2.54	9,489.10	9,491.64
II. Accumulated depreciation			
Balance as at April 01, 2019	0.60	6,255.58	6,256.18
Depreciation expense for the year	0.20	2,412.84	2,413.04
Deductions on disposals	-	2,358.29	2,358.29
Balance as at March 31, 2020	0.80	6,310.13	6,310.93
Depreciation expense for the year	0.20	1,470.95	1,471.15
Deductions on disposals	-	2,148.28	2,148.28
Balance as at March 31, 2021	1.00	5,632.80	5,633.80
Carrying amount			
Balance as at March 31, 2020	1.74	7,133.23	7,134.97
Balance as at March 31, 2021	1.54	3,856.30	3,857.84

* Leasehold Land acquired pursuant to scheme of arrangement are pending registration in the name of the Company having carrying amounts ₹ 1.54 Lakhs (March 31, 2020 ₹ 1.74 Lakhs).

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	1,503.20	2,533.94
Non-Current	3,089.38	5,619.29
Total	4,592.58	8,153.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(c) Leases (Contd...)

(ii) Amounts recognised in the statement of profit and loss		
The statement of profit and loss shows the following amount relating to lease:		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation charge of Right-of-use assets		
- Leasehold Land	0.20	0.20
- Buildings	1,470.95	2,412.84
Total	1,471.15	2,413.04
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
“COVID-19 related Rent Concessions (included in other income)*”	1,152.20	-
Gain on termination / remeasurement of lease contracts (included in other income)	614.75	172.84
“Interest expense (included in finance costs)”	477.68	939.57
“Expense relating to short-term leases (included in other expenses)”	364.92	317.14
Expense relating to variable lease payments not included in lease liabilities	185.84	35.92

The total cash outflow for leases for the year ended March 31, 2021 was ₹ 1,105.90 Lakhs (March 31, 2020 ₹ 3,505.66 Lakhs) (including short term and variable lease payments).

*Covid-19-Related Rent Concessions:

As described in Note No 2(f) Accounting Policy on Leases, the Ministry of Corporate Affairs vide notification dated 24 July 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. Covid-19 Related Rent Concessions.

Certain lessors have provided rent concessions to the Company as a result of the Covid-19 pandemic. Rent concession include rent holidays, rent reduction or variable rent as % of sales for a certain period but not beyond June 30, 2021.

Pursuant to the above amendment, the Company has applied the practical expedient in respect of leases which satisfies all the three conditions mentioned therein, and recognized unconditional rent concessions in the Statement of Profit and Loss as Other Income.

(iii) Variable Lease Payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all stores in the company with such variable lease contracts would increase total lease payments by approximately Rs. 18.58 Lakhs (March 31, 2020 Rs. 3.59 Lakhs).

(iv) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to Extension and termination options are included in a number of property leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company’s operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

(v) Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the Company considers factors such as historical lease durations, the costs and business disruption required to replace the leased asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

5. Investment Properties

	As at March 31, 2021			As at March 31, 2020
	Land	Building	Total	Building
Gross carrying amount				
Opening gross carrying amount	-	806.02	806.02	806.02
Additions	-	-	-	-
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	45.94	411.21	457.15	-
Closing gross carrying amount	45.94	1,217.23	1,263.17	806.02
Accumulated depreciation				
Opening accumulated depreciation	-	61.39	61.39	45.95
Additions	-	15.94	15.94	15.44
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	-	53.66	53.66	-
Closing accumulated depreciation	-	130.99	130.99	61.39
Net carrying amount	45.94	1,086.24	1,132.18	744.63

(i) Amounts recognised in statement of profit or loss for investment properties:

Particulars	As at March 31, 2021	As at March 31, 2020
Rental income derived from investment properties	131.15	377.13
Direct operating expenses (including repairs and maintenance) of investment properties	3.57	2.34
Income arising from investment properties before depreciation	127.58	374.79
Depreciation	15.94	15.44
Income arising from investment properties (Net)	111.64	359.35

(ii) Premises given on operating lease:

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between 11 months to 9 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable in respect of non-cancellable leases at the Balance Sheet date is as under

Particulars	As at March 31, 2021	As at March 31, 2020
For a period not later than one year	99.48	91.08
For a period later than one year and not later than five years	417.88	-
For a period later than five years	-	-

(iii) Premises given on operating lease:

Particulars	As at March 31, 2021			As at March 31, 2020
	Land	Building	Total	Building
Investment Properties	4,070.47	5,359.54	9,430.01	4,994.74

**Significant Estimates:
Estimation of fair value**

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.

The fair valuation of investment properties has been determined by registered independent valuers. The main inputs used are the prevailing market rates and recent sale of similar properties, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

(iv) Investment Property (Building) acquired pursuant to the scheme of amalgamation are pending registration in the name of the Company having carrying amounts ₹ 667.17 Lakhs (March 31, 2020 ₹ 681.42 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

6 Intangible assets

	Computer Software
Gross carrying amount	
Balance as at April 01, 2019	448.74
Additions	40.03
Disposals	-
Balance as at March 31, 2020	488.77
Additions	20.93
Disposals	-
Balance as at March 31, 2021	509.70
Accumulated amortisation	
Balance as at April 01, 2019	202.54
Additions	75.56
Disposals	-
Balance as at March 31, 2020	278.10
Additions	69.18
Disposals	-
Balance as at March 31, 2021	347.28
Net carrying amount	
Balance as at March 31, 2020	210.67
Balance as at March 31, 2021	162.42

7 Investments in Subsidiary

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Unquoted				
Equity instruments at cost				
Zodiac Clothing Company S.A., Switzerland (Equity Shares of CHF 1,000/- each)	250	65.91	250	65.91
Total		65.91		65.91
Aggregate value of unquoted investments		65.91		65.91

8 Non-current Investments

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares / NCD / Units	Amount	No. of Shares / NCD / Units	Amount
A Investment in Equity Instruments				
Quoted				
At Fair value through Other Comprehensive Income				
Shoppers Stop Limited (Equity Shares of ₹ 5 each)	2,21,024	475.20	3,26,112	630.86
Aditya Birla Capital Limited (Equity Shares of ₹ 10 each)	138	0.16	138	0.06
Grasim Industries Limited (Equity Shares of ₹ 10 each)	99	1.44	99	0.47
Aditya Birla Fashion and Retail Limited (Equity Shares of Rs. 10 each)	343	0.69	343	0.53
Hindalco Industries Limited (Equity Shares of ₹ 1 each)	830	2.71	830	0.79
Coramandel International Limited (Equity Shares of Rs. 10 each)	108	0.84	108	0.59
Exide Industries Limited (Equity Shares of ₹ 10 each)	7	0.01	7	0.01
Indraprastha Medical Limited (Equity Shares of ₹ 10 each)	5,000	2.69	5,000	1.70
Karur Vysya Bank Limited (Equity Shares of ₹ 2 each)	32,733	18.23	32,733	6.63
Maan Alluminium Limited (Equity Shares of ₹ 10 each)	500	0.77	500	0.14
Spentex Industries Limited (Equity Shares of ₹ 10 each)	54	*	54	*
Total (A)		502.74		641.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

8 Non-current Investments

	As at March 31, 2021		As at March 31, 2020	
	No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
B	<u>Investment in Non Convertible Debentures (NCD)</u>			
	Unquoted			
	At amortised cost			
	11.80 % I L & F S Transportation Networks Limited (NCDs of ₹ 100 each)	30 305.62	30	305.62
	Less: Impairment Loss	(305.62)		(305.62)
	Total (B)	-		-
C	<u>Investment in Venture capital funds</u>			
	Unquoted			
	At Fair value through Profit and Loss @			
	Faering Capital India Evolving Fund II (Units of ₹1000/- each)	75,120 943.61	68,070	653.69
	Paragon Partners Growth Fund I (Units of ₹100/- each)	4,55,818 683.73	4,44,290	562.20
	Tata Capital Healthcare Fund (Units of ₹1 /- each)	2,00,00,000 44.00	2,00,00,000	144.61
	Tata Capital Growth Fund (Units of ₹1 /- each)	2,00,00,000 98.00	2,00,00,000	106.15
	Faering Capital India Evolving Fund (Units of ₹1000/- each)	38,886 728.76	50,087	554.74
	Total (C)	2,498.10		2,021.39
	Total (A+B+C)	3,000.84		2,663.17
	Aggregate amount of quoted investments	502.74		641.78
	Aggregate Market Value of the quoted investments	502.74		641.78
	Aggregate amount of unquoted investments	2,803.72		2,327.01
	Aggregate amount of impairment in the value of investment	305.62		305.62

Note:

* Amount is below the rounding off norms adopted by the Company.

@ Investment in venture capital funds have been fair valued at closing Net Assets Value (NAV) / Fair Market Value (FMV).

Refer Note 44 for information about fair value measurement of investments and Note 38(ii)(b) for Investment Commitments related to Venture Capital funds.

9 Non-current loans

	As at March 31, 2021	As at March 31, 2020
Security deposits	1,165.08	972.85
Less: Allowance for doubtful deposits	(42.00)	(42.00)
Total	1,123.08	930.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Note (a): Break-up of security details		
Loans considered good - unsecured	1,123.08	930.85
Loans - credit impaired	42.00	42.00
Total	1,165.08	972.85
Less: Allowance for doubtful deposits	(42.00)	(42.00)
Total Non-current loans	1,123.08	930.85
Note (b): Security Deposits (for premises taken on lease) includes amount paid to:		
(i) Directors		
Mr. M. Y. Noorani \$	3.60	3.60
Mr. A. Y. Noorani	9.45	9.45
Mr. S. Y. Noorani	9.45	9.45
(ii) Firms in which Directors of the Company are partners		
Metropolitan Trading Company	115.00	165.00
Munraz Enterprises	10.00	10.00
Mustang Manufacturing Company	2.50	2.50

\$ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his will is in progress.

10 Other non-current financial assets

	As at March 31, 2021	As at March 31, 2020
Term deposits with banks	1.00	1.01
Less: Interest accrued (included in Note 18)	-	(0.01)
Total	1.00	1.00

11 Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Capital advances	23.01	21.19
Prepaid expenses	1.05	6.30
Balances with government authorities - GST Input credit	430.01	-
Balances with government authorities (including deposits) - Others	54.85	156.90
Total	508.92	184.39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

12 Inventories

	As at March 31, 2021	As at March 31, 2020
(The mode of valuation of inventories has been stated in Note 2(h))		
Raw Materials (Includes Raw Materials - In Transit ₹31.29 Lakhs [as at March 31st,2020 ₹ Nil])	1,905.22	2,227.40
Work-in-progress	106.08	240.67
Finished goods	4,936.90	5,517.19
Stock-in-trade	608.53	707.54
Stores and Spares	135.87	129.11
Total	7,692.60	8,821.91

Inventory writedowns are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-downs of inventories amounted to ₹ 200.36 Lakhs for the year ended March 31, 2021 (₹ 42.49 Lakhs for year ended March 31, 2020). These writedowns were recognised as an expense and included in 'Cost of material consumed', 'changes in inventories of finished goods, stock-in-trade and work-in-progress', and 'consumption of stores and spares' in the Statement of Profit and Loss.

The management has carried out an assessment of carrying value of the inventories and basis such assessment which includes nature, condition, margins and liquidation plan, no further provision, over and above those already provided, is considered necessary.

13 Current investments

	No. of Units	As at March 31, 2021	No. of Units	As at March 31, 2020
Investments in Mutual Funds				
Unquoted				
At Fair value through Profit and Loss				
HDFC Ultra Short Term - Regular Growth (Units of ₹ 10/- each)	52,35,756	620.23	14,66,053	164.28
HDFC Ultra Short Term Fund (Units of ₹10/- each)	3,930	0.40	3,722	0.37
Total (A)		620.63		164.65
Aggregate amount of unquoted investments		620.63		164.65

Refer Note 44 for information about fair value measurement of investments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

14 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Receivables from related parties (Refer Note 43)	371.00	315.87
Others	1,701.74	1,681.01
Less: Loss Allowances	(398.60)	(398.60)
Total	1,674.14	1,598.28
Note (a): Break-up of security details		
Trade receivables considered good - unsecured	1,674.14	1,598.28
Trade receivables - credit impaired	398.60	398.60
Total	2,072.74	1,996.88
Less: Loss Allowances	(398.60)	(398.60)
Total Trade Receivables	1,674.14	1,598.28
Note (b): Amounts Receivable from firms in which Directors are partners		
Mashal Enterprises	2.58	-

Refer Note 47 for information about credit risk and market risk of trade receivables.

15 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	2.24	0.65
Balances with Banks		
- In current accounts	76.23	545.53
- In EEFC accounts	12.89	0.13
Total	91.36	546.31

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2021 and previous year end.

16 Bank Balances other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Term deposits with Banks	33.19	37.08
Less: Interest accrued (included in Note 18)	(0.19)	(0.04)
	33.00	37.04
Unclaimed dividends - Earmarked balances with banks	10.14	11.83
Total	43.14	48.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

17 Current loans

	As at March 31, 2021	As at March 31, 2020
Security Deposits	130.00	843.41
Loans to employees	54.52	67.69
Less: Allowance for doubtful loans	(9.81)	(9.81)
Total	174.71	901.29
Note: Break-up of security details		
Loans considered good - unsecured	174.71	901.29
Loans - credit impaired	9.81	9.81
Total	184.52	911.10
Less: Allowance for doubtful loans	(9.81)	(9.81)
Total Current loans	174.71	901.29

Refer Note 47 for information about credit risk.

18 Other current financial assets

	As at March 31, 2021	As at March 31, 2020
Interest accrued	4.63	0.05
Derivative financial instruments	25.31	0.62
Others	55.55	5.00
Total	85.49	5.67

19 Other current assets

	As at March 31, 2021	As at March 31, 2020
Export Benefits receivables	219.66	246.38
Excess Contribution to gratuity fund (Refer Note 41)	15.30	-
Interest subsidy receivable	-	28.21
Advances to Suppliers	32.12	63.70
Prepaid expenses	54.47	76.54
Balances with government authorities - GST Input credit receivable/refundable	1,804.18	2,055.17
Right to recover returned goods	31.00	31.00
Other advances	-	8.70
Total	2,156.73	2,509.70

20 Assets classified as held for sale

	As at March 31, 2021	As at March 31, 2020
Plant & Machinery *	178.78	-
Total	178.78	-

* Refer Note 4(a)(vi)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

21 Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised		
3,40,00,000 [March 31, 2020: 3,40,00,000] Equity Shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up		
2,47,59,531 [March 31, 2020: 2,24,77,677] Equity Shares of ₹ 10 each	2,475.95	2,247.77
	2,475.95	2,247.77

Notes:

a) Reconciliation of number of shares:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	2,24,77,677	2,247.77	2,12,94,596	2,129.46
Issued during the year #	22,81,854	228.18	11,83,081	118.31
Balance as at the end of the year	2,47,59,531	2,475.95	2,24,77,677	2,247.77

b) Rights, preferences and restrictions attached to shares:

Equity shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by each shareholder holding more than 5% shares in the Company:

	As at March 31, 2021		As at March 31, 2020	
	%	No. of shares	%	No. of shares
Mohammed Yusuf Noorani ** # \$	21.11	52,25,931	23.25	52,25,931
Asia Tangible Investments Pte Limited	12.74	31,54,882	14.04	31,54,882
Euro Global Holdings Pte Limited	12.74	31,54,882	14.04	31,54,882
Akash Bhanshali	5.50	13,61,700	6.06	13,61,700
Pari Washington Company Pvt. Ltd. A/C Pari Washington India Master Fund, Limited	-	-	8.76	19,69,153
Anees Yusuf Noorani #	11.71	28,99,899	7.83	17,58,972
Salman Yusuf Noorani #	10.83	26,81,344	6.85	15,40,417
** Includes shares held by Mr. Mohammed Yusuf Noorani \$				
a) as Trustee for and on behalf of Yusuf Noorani Family Trust*		18,990		18,990
b) as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust		8,334		8,334

During the year the Company has allotted 22,81,854 equity shares of ₹10 each at a premium of ₹99.56 per equity share on preferential basis to the following promoters of the Company. Further, during the financial year 2019-20, the Company has allotted 1,183,081 equity shares of ₹10 each at a premium of ₹159.05 per equity share pursuant to conversion of equivalent number of warrants allotted to the following promoters of the Company during the year 2018-19.

	As at March 31, 2021	As at March 31, 2020
Mohammed Yusuf Noorani \$	-	3,94,361
Anees Yusuf Noorani	11,40,927	3,94,360
Salman Yusuf Noorani	11,40,927	3,94,360

\$ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his will is in progress.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

22 Other Equity

	Money received against Share Warrants	Reserves and Surplus						Other Comprehensive Income (OCI)			Total
		Securities Premium	Amalgamation Reserve	State Cash Subsidy	Capital Redemption Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve		
Balance as at April 01, 2019	1,500.00	5,519.01	8.16	15.84	200.00	2,677.51	12,266.16	2,172.46	43.40	24,402.54	
Loss for the year	-	-	-	-	-	-	(2,132.79)	-	-	(2,132.79)	
Other Comprehensive Income for the year	-	-	-	-	-	-	(76.35)	(1,003.00)	-	(1,079.35)	
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	(67.24)	-	(67.24)	
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,209.14)	(1,003.00)	(67.24)	(3,279.38)	
"Adjustment on adoption of Ind AS 116 (net of deferred tax Rs.384.13 Lakhs) (Refer Note 47)"	-	-	-	-	-	-	(996.66)	-	-	(996.66)	
Transactions with owners in their capacity as owners:											
Share Application Money received	500.00	-	-	-	-	-	-	-	-	500.00	
Allotment of Equity Shares (including Securities Premium)	(2,000.00)	-	-	-	-	-	-	-	-	(2,000.00)	
Premium Received on Issue of Equity Shares	-	1,881.69	-	-	-	-	(212.95)	-	-	1,881.69	
Dividends	-	-	-	-	-	-	707.82	(707.82)	-	(212.95)	
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	-	-	(43.40)	-	
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	-	(43.40)	
Balance as at March 31, 2020	-	7,400.70	8.16	15.84	200.00	2,677.51	9,555.23	461.64	(67.24)	20,251.84	
Loss for the year	-	-	-	-	-	-	(2,390.86)	-	-	(2,390.86)	
Other Comprehensive Income for the year	-	-	-	-	-	-	73.49	39.90	-	113.39	
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	12.14	12.14	
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	67.24	67.24	
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,317.37)	39.90	79.38	(2,198.09)	
Transactions with owners in their capacity as owners:											
Premium Received on Issue of Equity Shares	-	2,271.82	-	-	-	-	-	-	-	2,271.82	
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	185.18	(185.18)	-	-	
Balance as at March 31, 2021	-	9,672.52	8.16	15.84	200.00	2,677.51	7,423.04	316.36	12.14	20,325.57	

Purpose of Significant Reserves:

Securities Premium

Securities premium is used to record the premium on issue of shares, which is to be utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Represent reserve created during redemption of Preference Shares and it is a non-distributable reserve, which is to be utilised in accordance with provision of the Act.

General Reserve

The general reserve is a free reserve, retained from Company's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

FVOCI - Equity Instruments

The Company has elected to recognise changes in the fair value of investments in certain equity securities as other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are sold.

Cash Flow Hedging Reserve

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in the other comprehensive income in the cash flow hedging reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

23 Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
Secured		
Term loan from a bank	-	80.42
Unsecured		
Guaranteed Emergency Credit Line (GECL)	832.00	-
Loan from Directors (Refer Note 43)	-	1,686.75
Total Non-current borrowings	832.00	1,767.17
Less: Current maturities of long term debt (included in Note 26)	(18.56)	(79.67)
Less: Interest accrued but not due on borrowings (included in Note 26)	-	(15.88)
Total Non-current borrowings (as per Balance Sheet)	813.44	1,671.62

Refer Note 45 for liquidity risk

Notes:

(a) Nature of Security and terms of repayment for secured term loan from a bank:

- (i) The loan carries an interest rate ranging from 7.25% to 10.75% p.a.
- (ii) The loan is fully repaid in the month of December 2020.
- (iii) The charge created has been satisfied during the year.
- (iv) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 38.

(b) Details of terms of repayment for unsecured loans from directors:

- (i) The loan is fully repaid in the month of March 2021.
- (ii) The loan carried an interest rate of 8% p.a. (March 31, 2020: 8% p.a.)

(c) Details of terms of repayment for unsecured Guaranteed Emergency Credit Line:

- (i) The loan carries an interest rate ranging from 8.25% to 9.25% p.a.
- (ii) The loan is repayable in 36 equated monthly instalments starting from the 13th month of their respective drawdown dates.

24 Current Borrowings

	As at March 31, 2021	As at March 31, 2020
From banks (Working Capital Loans):		
Secured		
In Indian Rupees		
- Rupee Packing Credit (RPC)	1,769.39	4,309.82
- Bank Overdraft	1,795.82	-
Total Current borrowings	3,565.21	4,309.82
Less: Interest accrued but not due on borrowings (included in Note 26)	(4.63)	(11.20)
Total Current borrowings (as per Balance Sheet)	3,560.58	4,298.62

Nature of Security and terms of repayment:

Current borrowings are secured against hypothecation of all current assets of the Company.

RPC is repayable within 180 days. Rate of interest 4.25% p.a. (March 31, 2020 6.25% p.a. to 6.30% p.a.)

Bank Overdraft carries rate of interest ranging from 9.10% p.a. to 9.50% p.a.

Refer Note 45 for liquidity risk.

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 38.

Net debt reconciliation	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	91.36	546.31
Current Borrowings	(3,565.21)	(4,309.82)
Non Current Borrowings	(832.00)	(1,767.17)
Lease liabilities	(4,592.58)	(8,153.23)
Net debt	(8,898.43)	(13,683.91)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including current maturities of long term debt and interest accrued)	Current borrowings (Including interest accrued)	Total
Net Debt as at April 01, 2019	417.04	-	(293.17)	(5,770.07)	(5,646.20)
Recognised on adoption of Ind AS 116 (Refer Note 47)	-	(12,312.50)	-	-	(12,312.50)
Cash flows	129.27	2,213.03	(1,460.80)	1,448.84	2,330.34
Acquisitions - Leases	-	(859.32)	-	-	(859.32)
Termination - Leases	-	2,805.56	-	-	2,805.56
Interest expense	-	(939.57)	(47.77)	(318.61)	(1,305.95)
Interest paid	-	939.57	34.57	330.02	1,304.16
Net Debt as at March 31, 2020	546.31	(8,153.23)	(1,767.17)	(4,309.82)	(13,683.91)
Cash flows	(454.95)	77.46	919.29	738.04	1,279.84
Acquisitions - Leases	-	(342.50)	-	-	(342.50)
Termination - Leases	-	2,673.49	-	-	2,673.49
Covid-19 related rent Concession	-	1,152.20	-	-	1,152.20
Interest expense	-	(477.68)	(145.73)	(259.92)	(883.33)
Interest paid	-	477.68	161.61	266.49	905.78
Net Debt as at March 31, 2021	91.36	(4,592.58)	(832.00)	(3,565.21)	(8,898.43)

25 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro and small enterprises [Refer Note below]	54.18	37.94
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer Note 43]	311.04	427.69
- Others	1,980.53	1,794.42
Total	2,345.75	2,260.05

Refer Note 45 for information about liquidity risk and market risk of trade payables.

Notes:

The Company has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:

	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	52.03	33.50
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.15	4.44
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	31.79	21.48
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	11.19	19.71
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	2.15	4.44
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

26 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Security deposits	22.83	-
Total	22.83	-
Other current financial liabilities		
Current maturities of long term debt (Refer Note 23)	18.56	79.67
Interest accrued but not due on borrowings	4.63	27.08
Unclaimed dividends [Refer Note below]	10.14	11.83
Derivative financial instruments	-	135.21
Security deposits	-	263.21
Capital Creditors	107.14	149.67
Book Overdrawn Balance	8.04	-
Total	148.51	666.67

Notes: There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

27 Provisions

Non-current Provisions	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 41)		
- Compensated absences	85.39	120.87
- Gratuity	-	13.55
Total	85.39	134.42

28 Other liabilities

Other non-current liabilities	As at March 31, 2021	As at March 31, 2020
Contract liabilities - advance rent	10.56	-
Deferred rent income	25.65	-
Total	36.21	-
Other current liabilities		
Contract liabilities - advance from customers	26.55	70.48
Contract liabilities - advance rent	92.80	-
Statutory dues payable	90.59	160.95
Employee benefits payable	459.33	631.02
Refund liabilities	62.00	62.00
Deferred rent income	9.82	5.92
Total	741.09	930.37

29 Revenue from Operations

	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from contracts with customers		
- Sale of Products	9,611.69	18,302.26
- Sale of Services	64.54	149.69
Other operating revenue		
- Export Incentives	314.04	479.35
- Process waste sale	4.70	7.41
Total	9,994.97	18,938.71

There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2021 and March 31, 2020.

Reconciliation of revenue from contracts with customers recognised with contract price:	Year Ended March 31, 2021	Year Ended March 31, 2020
Contract price	9,975.45	18,778.18
Adjustments for:		
Refund liabilities		
- Discounts and Rebates	(76.53)	(238.10)
- Sales returns	(222.69)	(88.13)
Revenue from contract with customers	9,676.23	18,451.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

30 Other income

	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income		
- unwinding of discount on security deposit	77.66	106.73
- income tax refunds	10.88	-
- others	5.08	3.70
Dividend Income		
- subsidiary	675.58	653.59
- financial assets measured at fair value through profit or loss	9.76	53.57
- financial assets measured at fair value through Other Comprehensive Income	0.04	3.67
Rent income	140.15	386.13
Net gain on fair value / sale of financial assets measured at fair value through profit or loss *	554.23	218.57
Net gain / (loss) on foreign currency transactions and translation	(30.76)	91.62
Covid-19 related Rent Concessions	1,152.20	-
Gain on termination / remeasurement of lease contracts	614.75	172.84
Miscellaneous income	44.92	53.26
Total	3,254.49	1,743.68

* Includes unrealised fair value gain / (loss) of ₹ 527.56 Lakhs, (₹ 102.68 Lakhs for year ended March 31, 2020)

31 Cost of materials consumed

	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw and packing materials at the beginning of the year	2,227.40	2,638.58
Purchases	3,069.51	6,528.71
Less: Sale of Raw and packing materials	(7.54)	(25.76)
Less: Raw and packing materials at the end of the year	(1,905.22)	(2,227.40)
Total	3,384.15	6,914.13

32 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening inventories		
Finished goods	5,517.19	4,838.61
Stock-in-trade	707.54	778.36
Work-in-progress	240.67	347.47
	6,465.40	5,964.44
Closing inventories		
Finished goods	4,936.90	5,517.19
Stock-in-trade	608.53	707.54
Work-in-progress	106.08	240.67
	5,651.51	6,465.40
Total	813.89	(500.96)

33 Employee benefits expense

	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, wages, bonus etc.	3,425.24	4,834.32
Contribution to provident and other funds (Refer Note 41)	284.71	420.01
Gratuity Expenses (Refer Note 41)	90.39	66.25
Staff welfare expenses	38.12	79.98
Total	3,838.46	5,400.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

34 Finance costs

	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest expense on:		
- Term Loans	145.73	47.77
- Current Borrowings	259.92	318.61
- Lease Payments	477.68	939.57
- Others	20.30	33.71
Exchange differences regarded as an adjustment to borrowing costs	-	45.90
Total	903.63	1,385.56

35 Depreciation and amortization expense

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on property, plant and equipment	749.38	1,011.26
Depreciation on Right-of-use assets	1,471.15	2,413.04
Depreciation on investment property	15.94	15.44
Amortization on intangible assets	69.18	75.56
Total	2,305.65	3,515.30

36 Other expenses

	Year Ended March 31, 2021	Year Ended March 31, 2020
Consumption of stores and spares	97.24	180.32
Power and fuel	173.83	252.80
Job Work Charges	61.95	210.15
Insurance	117.00	117.61
Repairs to buildings	56.19	51.56
Repairs to machinery	7.75	10.93
Repairs and Maintenance - Others	189.78	275.20
Rent	550.76	353.06
Electricity Expenses	163.67	345.92
Retail store maintenance expenses	371.97	644.31
Rates and Taxes	92.09	103.22
Advertisement and sales promotion	182.38	888.39
Commission to selling agents	398.37	523.36
Freight and forwarding	579.92	644.92
Trade Mark Fees	31.86	92.80
Legal and Professional Expenses	207.53	247.56
Payments to auditors (Refer Note (i) below)	29.25	30.25
Travelling and Conveyance	97.94	344.22
Director Fees	23.60	18.40
Donations	19.05	18.02
Expenditure incurred for Corporate Social Responsibility (Refer Note (ii) below)	32.00	46.50
Allowance for doubtful debts, loans, advances and deposits etc. (net)	-	13.47
Bad debts, loans, advances, deposits etc. written off	262.45	79.66
Less: Allowances there against	-	(13.47)
	262.45	66.19
Net Loss on sale/discard of property, plant and equipment	184.19	36.80
Bank Charges	74.46	150.97
Security Charges	94.46	126.91
Miscellaneous Expenses	106.31	152.13
Total	4,206.00	5,945.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Notes:

(i) Payments to auditors includes:

	Year Ended March 31, 2021	Year Ended March 31, 2020
For Audit	20.00	18.00
For Limited Review	6.00	6.00
For Other services	2.75	4.25
For reimbursement of expenses	0.50	2.00
Total	29.25	30.25

(ii) Details of Corporate Social Responsibility (CSR) Expenditure:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount required to be spent as per Section 135 of the Act	-	-
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	32.00	46.50
Total	32.00	46.50

37 Taxes

i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current tax		
Expense for the year	113.30	110.00
Total current tax (A)	113.30	110.00
Deferred tax		
Deferred tax credit	(35.20)	(337.61)
Total deferred tax credit (B)	(35.20)	(337.61)
Total tax expense for the year (C) = (A + B)	78.10	(227.61)
Tax in respect of earlier years (D)	(3.77)	24.98
Total tax expense/(credit) (C + D)	74.33	(202.63)

ii) A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the loss before income taxes is summarized below:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Loss before tax	(2,316.53)	(2,335.42)
Enacted income tax rate in India	27.82%	27.82%
Tax expenses at enacted income tax rate	(644.46)	(649.71)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	20.38	21.34
Income exempted from Income taxes	-	(15.92)
Additional deduction for House Property Income under Income Tax	(11.11)	(30.18)
Differential tax rate in respect of income from capital gains	-	(2.22)
Differential due to indexation on Investment Properties	(51.65)	(34.54)
Differential tax rate in respect of income from other sources	(75.18)	(72.72)
Deferred tax assets not recognised on business losses	591.84	571.04
Deferred tax assets not recognised on unabsorbed depreciation	235.45	-
Others	12.83	(14.70)
Total Tax Expenses	78.10	(227.61)

iii) Tax Assets

	As at March 31, 2021	As at March 31, 2020
Non-Current Tax Assets (net of provision of Rs. 4,094.19 Lakhs (As at March 31, 2020 Rs. 5,649.45 Lakhs)	1,050.47	1,324.86
Current Tax Assets (net of provision of Rs. 321.81 Lakhs (As at March 31, 2020 ₹ Nil)	234.56	-
Total	1,285.03	1,324.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

37 Taxes (Contd...)

iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2021:

	As at April 01, 2019	Credit in Retained Earnings	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at March 31, 2020	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at March 31, 2021
Deferred tax assets/(liabilities)								
Provision for employee benefits	32.69	-	0.93	-	33.62	(9.87)	-	23.75
Loss allowance	125.30	-	-	-	125.30	-	-	125.30
Property, plant and equipment and intangible assets	(614.20)	-	76.72	-	(537.48)	41.08	-	(496.40)
Lease Liabilities and Right-of-use assets	-	384.13	(100.85)	-	283.28	(78.87)	-	204.41
Unabsorbed Depreciation	1,293.31	-	273.31	-	1,566.62	(1.70)	-	1,564.92
Business Losses	-	-	-	-	-	292.06	-	292.06
Others	(28.95)	16.09	87.50	25.91	100.55	(207.50)	(42.21)	(149.16)
Total	808.15	400.22	337.61	25.91	1,571.89	35.20	(42.21)	1,564.88

Significant Estimates: Based on the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer, the company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the Company has recognized deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward unabsorbed depreciation and business losses as detailed below has not been considered for recognition of deferred tax asset. Further, deferred tax asset on business losses has been recognised to the extent of deferred tax liabilities.

Assessment Year (A.Y.)	Business Loss		Unabsorbed Depreciation	
	As at March 31, 2021	Loss Carried forward for upto A.Y.	As at March 31, 2021	Loss Carried forward for upto A.Y.
2016 - 17	79.78	2024 -25	1,193.95	} No Expiry
2017 - 18	1,064.52	2025 -26	1,224.55	
2018 - 19	1,890.73	2026 -27	1,166.48	
2019 - 20	515.46	2027 -28	1,056.32	
2020 - 21	2,052.63	2028 -29	983.87	
2021 - 22	3,089.85	2029 -30	846.34	
Less - Deferred Tax Recognized	(1,049.82)		(5,625.16)	
Unrecognized Amount	7,643.15		846.35	

38 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2021	As at March 31, 2020
Floating Charge		
Current Assets		
Financial Assets		
- Investments	620.63	164.65
- Trade receivables *	1,303.14	1,282.41
- Cash and cash equivalents	91.36	546.31
- Bank Balances other than cash and cash equivalents #	33.00	37.04
- Loans	174.71	901.29
- Others financial assets	85.49	5.67
	2,308.33	2,937.37
Non Financial Assets		
- Inventories	7,692.60	8,821.91
- Other current assets	2,156.73	2,509.70
	9,849.33	11,331.61
Total Current assets	12,157.66	14,268.98
Fixed Charge		
Non Current Assets		
- Plant and Machinery	-	734.22
Total non-current assets	-	734.22
Total assets	12,157.66	15,003.20

* Trade Receivables represent receivables excluding related parties trade receivables.

Excludes Unclaimed dividends - Earmarked balances with banks.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

39 Contingent liabilities, Contingent assets and commitments (to the extent not provided for):

		As at March 31, 2021	As at March 31, 2020
i	Contingent Liabilities		
	Claims against the company not acknowledged as debts in respect of:		
	Income Tax matters (including TDS matters)	1,352.10	1,352.10
	Sales Tax matters	99.38	192.57
	Others matters	1.29	1.29

The amounts shown in respect of above items represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent upon the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decision pending with various forums/authorities.

The Company does not expect any reimbursements in respect of above contingent liabilities.

Significant Estimates: The Company has litigations in respect of certain Income tax matters. The management does assessment of all outstanding matters and wherever required, further obtains legal advices including those relating to interpretation of law. Based on such assessment, it concludes whether a provision should be recognised or a disclosure should be made.

		As at March 31, 2021	As at March 31, 2020
ii	Commitments		
(a)	Capital Commitments		
	Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
	Property, plant and equipment	25.71	71.13
	Less: Capital advances (Refer Note 11)	(23.01)	(21.19)
	Net Capital commitments	2.70	49.94
(b)	Investment Commitments related to Venture Capital funds		
	Investment Commitments related to Venture Capital funds	35.94	416.83

Investment commitment: contribution is to be made on “as needed” basis pursuant to drawdown notices issued by the respective funds over commitment period.

Mirage Marketing Company LLP (MMLP) vide Deed of Adherence (DOA) dated October 31, 2020 and January 30, 2021 executed in favour of Faering Capital India Evolving Fund II and the Company, has acquired Investment Commitment of class A units of Faering Capital India Evolving Fund amounting to ₹ 298.80 Lakhs from the Company and pursuant to which the Company is no longer committed for investment commitment to the extent of ₹ 298.80 lakhs.

40 Earnings per share

		Year ended March 31, 2021	Year ended March 31, 2020
Basic & Diluted			
Loss for the year (₹ In lakhs)	(A)	(2,390.86)	(2,132.79)
Weighted average number of equity shares outstanding	(B)	2,25,27,690	2,21,12,409
Basic and Diluted Loss Per Share (₹)	(A / B)	(10.61)	(9.65)
Nominal value per equity shares (in ₹)		10	10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

41 Post retirement benefit plans

I. I. Defined Benefit Plan - Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of ₹20 Lakhs (Previous Year ₹20 Lakhs). The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on March 31, 2021 and March 31, 2020, amounts recognised in the Standalone financial statements in respect of Employee Benefits Scheme:

A Amount recognised in the Balance Sheet

	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	981.30	1,129.11
Fair value of plan assets	(996.60)	(1,115.56)
(Net plan surplus) / Net plan liability	(15.30)	13.55

B Movement in plan assets and liabilities

	Year ended March 31, 2021			Year ended March 31, 2020		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
As at April 01	1,115.56	1,129.11	(13.55)	1,116.25	1,004.79	111.46
Current service cost	-	89.57	(89.57)	-	74.71	(74.71)
Interest cost	-	68.20	(68.20)	-	76.26	(76.26)
Interest income	67.38	-	67.38	84.72	-	84.72
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	(7.96)	7.96
Actuarial (gain)/loss arising from changes in financial assumptions	-	(27.96)	27.96	-	113.29	(113.29)
Actuarial (gain)/loss arising from experience adjustments	-	(44.22)	44.22	-	(34.80)	34.80
Return on plan assets excluding actual return of plan assets	1.31	-	1.31	(5.82)	-	(5.82)
Employer contributions	45.75	-	45.75	17.59	-	17.59
Benefit payments	(233.40)	(233.40)	-	(97.18)	(97.18)	-
As at 31st March	996.60	981.30	15.30	1,115.56	1,129.11	(13.55)

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2021	As at March 31, 2020
Active members	1,174	1,805
Retired Members	19	35
The weighted average duration of the defined benefit obligations	8 years	9 years
Expected contribution to the Fund	48.96	103.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

C Statement of Profit and Loss

	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefits Expense:		
Current service cost	89.57	74.71
Net Interest expense/(income)	0.82	(8.46)
Amount recognised in Statement of Profit and Loss	90.39	66.25
Remeasurements of the net defined benefits liability:		
Actuarial (gain)/losses arising from changes in demographic assumptions	-	(7.96)
Actuarial (gains)/losses arising from changes in financial assumptions	(27.96)	113.29
Experience (gains)/losses	(44.22)	(34.80)
Return on plan assets excluding actual return on plan assets	(1.31)	5.82
Amount recognised in Other Comprehensive Income	(73.49)	76.35

D Assets

	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Insurer managed Fund	996.60	1,115.56
Total	996.60	1,115.56

E Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions	As at March 31, 2021	As at March 31, 2020
Discount rate	6.44%	6.04%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	6.44%	6.04%
Attrition Rate	For service period 5 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.	For service period 5 years and below 11.00% p.a. For service period of 5 years and above 1.00% p.a.

* Taking into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement

F Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2021		As at March 31, 2020	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(63.72)	72.89	(75.73)	86.94
Salary Escalation Rate	1%	69.97	(62.73)	84.35	(74.95)
Attrition Rate	1%	7.56	(8.53)	5.58	(6.44)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

G. The defined benefit obligations shall mature after the end of reporting period is as follows:

	As at March 31, 2021	As at March 31, 2020
1st Following Year	106.28	114.19
2nd Following Year	82.67	91.65
3rd Following Year	80.78	102.79
4th Following Year	111.42	95.42
5th Following Year	85.95	118.77
Sum of Years 6 to 10	441.49	489.88
Thereafter	812.64	923.68

H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.

II. Compensated absences

The compensated absences obligations cover the Company's liability for leave which is actuarially valued at each year end by applying the assumptions referred in 'E' above.

The amount of the provision of ₹ 85.39 lakhs (as at March 31, 2020: ₹ 120.87 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement of these obligations.

III. Details of Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. which are administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are ₹ 284.71 lakhs (Previous year ₹ 420.01 lakhs) in the Statement of Profit and Loss.

42 In accordance with Accounting Standard Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements of Zodiac Clothing Company Limited, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24**1. Relationships:****Entities where control exists:**

(a) Subsidiary Companies (including step down subsidiaries):

		Ownership Interest	
		March 31, 2021	March 31, 2020
(i) Zodiac Clothing Company S. A.	Switzerland	100	100
(iii) Zodiac Clothing Co (U.A.E.) LLC * (Subsidiary of (i) above)	UAE	100	100
(iii) Zodiac Clothing Bangladesh Limited (Subsidiary of (ii) above)	Bangladesh	100	100

Other related parties:

(b) Key Management Personnel:

Mr. M. Y. Noorani \$	Non Executive Director (till November 20, 2019)
Mr. A. Y. Noorani	Non Executive Director
Mr. S. Y. Noorani	Managing Director
Mr. M. L. Apte	Independent Director (till August 11, 2019)
Mr. V. M. Apte	Independent Director (w.e.f. August 13, 2019)
Mr. Y. P. Trivedi	Independent Director
Mr. S. R. Iyer	Independent Director
Mr. Bernhard Steinruecke	Independent Director
Ms. Elizabeth Jane Hulse	Independent Director
Mr. Naushad Forbes	Independent Director

(c) Relatives of key management personnel with whom the transactions have taken place:

Mr. Awais A. Noorani	Son of Mr. A. Y. Noorani
Mr. Musaed A. Noorani	Son of Mr. A. Y. Noorani
Mrs. Muna A. Noorani	Wife of Mr. A. Y. Noorani
Mrs. Zehra S. Noorani	Wife of Mr. S. Y. Noorani
Mrs. Saniyya A. Noorani	Daughter of Mr. A. Y. Noorani

(d) Enterprises over which key management personnel and / or their relatives are able to exercise significant influence and with whom transactions have taken place:

Zodiac Metropolitan Clothing Gmbh	Germany
Metropolitan Trading Company	India
Montage Corporation	India
Munraz Enterprises	India
Mustang Manufacturing Company	India
Mashal Enterprises	India
Asia Tangible Investments Pte Ltd.	Singapore
Euro Global Holdings Pte. Ltd.	Singapore
Onward LLC	UAE
Miraj Marketing Company LLP	India

(e) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme

* The shareholders of the company are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.

\$ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his will is in progress.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties						Referred in 1(d) above		Referred in 1(e) above	
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Year ended March 31, 2020		Year ended March 31, 2021	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers										
Sale of Goods and Services	472.21	1,344.60	-	-	-	-	1,643.80	2,208.72	-	-
Other Income										
Rent	-	-	-	-	-	-	9.00	9.00	-	-
Dividend Income	675.58	653.49	-	-	-	-	-	-	-	-
Employees benefit expenses *										
Interest Expense	-	-	-	-	137.53	47.21	-	-	-	-
Other Expenses										
Rent	-	-	9.92	43.20	-	-	154.14	247.02	-	-
Commission to selling agents	-	-	-	-	-	-	195.47	354.80	-	-
Director Fees	-	-	-	-	-	-	-	-	-	-
Trade Mark Fees	-	-	23.60	18.40	-	-	31.86	92.80	-	-
Others										
Reimbursement of Expenses from	0.67	0.41	-	-	-	-	12.21	5.99	-	-
Reimbursement of Expenses to	-	-	-	-	-	-	7.33	7.42	-	-
Gratuity Fund contribution										
Loan Received	-	-	262.65	1,671.62	-	-	-	-	45.75	17.59
Loan Repaid	-	-	1,934.27	-	-	-	-	-	-	-
Share Application Money Received (including securities premium)	-	-	2,500.00	500.00	-	-	-	-	-	-
Dividend Paid	-	-	-	79.45	-	-	-	63.10	-	-

* This aforesaid amount does not include amount in respect of gratuity and compensated absences as the same is not determinable on individual basis and hence considered for disclosure on payment basis.

3. Balances with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties						Referred in 1(d) above	
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		As at March 31, 2020	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Outstandings:								
Non-current borrowings	-	-	-	-	-	-	1,671.62	-
Trade Payables	32.63	25.28	1.72	3.68	-	-	276.69	398.73
Other Current Liabilities	-	-	79.14	178.19	-	-	-	-
- Employee benefits payable	-	-	-	-	-	-	-	-
- Contract Liabilities - Advance from customers	-	-	-	15.13	-	-	-	10.07
Other Current Financial Liabilities	-	-	-	-	-	-	-	-
- Interest accrued but not due	-	-	-	-	-	-	-	-
Loans (Security Deposit given)	-	-	22.50	22.50	-	-	127.50	177.50
Trade Receivables	-	-	-	-	-	-	371.00	315.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

4. Disclosure in respect of material transactions with related parties during the year (included in 2 above)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers:		
- Zodiac Clothing Co (U.A.E.) LLC	472.21	1,344.60
- Zodiac Metropolitan Clothing Gmbh	1,625.44	2,152.85
Other Income:		
Rent		
- Metropolitan Trading Company	9.00	9.00
Dividend Income		
- Zodiac Clothing Company S.A.	675.58	653.49
Expenses:		
Employees benefit expenses		
- Mr. Awais A. Noorani	47.21	50.09
Interest expense		
- Mr. M. Y. Noorani	6.36	3.22
- Mr. A. Y. Noorani	73.04	15.32
- Mr. S. Y. Noorani	58.13	10.89
Rent Expense		
- Metropolitan Trading Company	130.32	218.58
Commission to selling agents		
- Zodiac Metropolitan Clothing Gmbh	195.47	354.80
Director Fees		
- Mr. V. M. Apte	5.80	4.20
- Mr. Y. P. Trivedi	5.90	5.90
- Mr. S. R. Iyer	6.30	6.30
- Mr. Bernhard Steunruecke	2.40	0.50
Trade Mark Fees		
- Metropolitan Trading Company	31.86	92.80
Others		
Reimbursement of Expenses from		
- Zodiac Clothing Co (U.A.E.) LLC	0.67	0.41
- Mashal Enterprises	12.21	5.99
Reimbursement of Expenses to		
- Metropolitan Trading Company	2.60	2.58
- Munraz Enterprises	4.67	4.73
Gratuity Fund contribution		
- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	45.75	17.59
Loan Received		
- Mr. M. Y. Noorani	-	100.00
- Mr. A. Y. Noorani	72.05	908.09
- Mr. S. Y. Noorani	190.60	663.53
Loan Repaid		
- Mr. M. Y. Noorani	100.00	-
- Mr. A. Y. Noorani	980.14	-
- Mr. S. Y. Noorani	854.13	-
"Share Application Money Received (including securities premium)"		
- Mr. M. Y. Noorani	-	166.66
- Mr. A. Y. Noorani	1,250.00	166.67
- Mr. S. Y. Noorani	1,250.00	166.67
Dividend Paid		
- Asia Tangible Investments Pte. Ltd.	-	31.55
- Euro Global Holding Pte. Ltd.	-	31.55
- Mr. M. Y. Noorani	-	48.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

5. Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)

	As at March 31, 2021	As at March 31, 2020
Outstandings:		
Non-current borrowings		
- Mr. M. Y. Noorani	-	100.00
- Mr. A. Y. Noorani	-	908.09
- Mr. S. Y. Noorani	-	663.53
Trade Payables		
- Zodiac Clothing Co (U.A.E.) LLC.	32.63	25.28
- Zodiac Metropolitan Clothing Gmbh	268.90	378.28
- Mr. M. Y. Noorani - Payable for Rent	-	0.40
- Mr. A. Y. Noorani - Payable for Rent	0.86	1.64
- Mr. S. Y. Noorani - Payable for Rent	0.86	1.64
Other Current Liabilities - Employee benefits payable		
- Mr. S. Y. Noorani - Remuneration	79.14	178.19
Other Current Financial Liabilities - Interest accrued but not due		
- Mr. M. Y. Noorani - Payable for Interest	-	0.90
- Mr. A. Y. Noorani - Payable for Interest	-	8.49
- Mr. S. Y. Noorani - Payable for Interest	-	5.74
Security Deposit		
- Metropolitan Trading Company	115.00	165.00
- Munraz Enterprises	10.00	10.00
- Mustang Manufacturing company	2.50	2.50
- Mr. M. Y. Noorani	-	3.60
- Mr. A. Y. Noorani	11.25	9.45
- Mr. S. Y. Noorani	11.25	9.45
Trade Receivables		
- Zodiac Metropolitan Clothing Gmbh	368.42	315.87
- Contract Liabilities - Advance from customers		
- Mashal Enterprises	-	10.07

Terms and Conditions:

Transactions were done in ordinary course of business and on normal terms and conditions.

Outstanding balances are unsecured and repayable in cash.

Refer Note 39(II) in respect of transfer of Investment commitment by the Company to a related party.

44 Fair Value Measurement:

(i) Financial Instrument by category and hierarchy.

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

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

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans (security deposits) were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.

The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2021	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
Financial Assets											
Investments											
- Equity instruments	502.74	-	502.74	-	-	-	-	502.74	-	-	502.74
- Mutual funds	-	620.63	620.63	620.63	-	-	-	-	-	-	620.63
- Venture capital fund	2,498.10	-	2,498.10	-	2,498.10	-	-	-	-	-	2,498.10
	3,000.84	620.63	3,621.47	620.63	2,498.10	3,118.73	502.74	502.74	-	-	3,621.47
Other Assets											
- Loans to Employees	-	44.71	44.71	-	-	-	-	-	-	44.71	44.71
- Security Deposits	1,123.08	130.00	1,253.08	-	-	-	-	-	-	1,253.08	1,253.08
- Derivative financial instruments	-	25.31	25.31	-	8.59	-	-	16.72	-	-	25.31
- Other Financial Assets	1.00	60.18	61.18	-	-	-	-	-	-	61.18	61.18
- Trade receivable	-	1,674.14	1,674.14	-	-	-	-	-	-	1,674.14	1,674.14
- Cash and Cash equivalents	-	91.36	91.36	-	-	-	-	-	-	91.36	91.36
- Bank Balances other than cash and cash equivalents"	-	43.14	43.14	-	-	-	-	-	-	43.14	43.14
	1,124.08	2,068.84	3,192.92	-	8.59	8.59	-	16.72	-	3,167.61	3,192.92
Financial Liabilities											
- Borrowings	813.44	3,560.58	4,374.02	-	-	-	-	-	-	4,374.02	4,374.02
- Other Financial Liabilities	22.83	148.51	171.34	-	-	-	-	-	-	171.34	171.34
- Trade Payables	-	2,345.75	2,345.75	-	-	-	-	-	-	2,345.75	2,345.75
	836.27	6,054.84	6,891.11	-	-	-	-	-	-	6,891.11	6,891.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2020	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
Financial Assets											
Investments											
- Equity instruments	641.78	-	641.78	-	-	-	-	641.78	-	641.78	641.78
- Mutual funds	-	164.65	164.65	164.65	-	-	-	-	-	-	164.65
- Venture capital fund	2,021.39	-	2,021.39	-	-	2,021.39	-	-	-	-	2,021.39
	2,663.17	164.65	2,827.82	164.65	-	2,021.39	-	641.78	-	641.78	2,827.82
Other Assets											
- Loans to Employees	-	57.88	57.88	-	-	-	-	-	-	-	57.88
- Security Deposits	930.85	843.41	1,774.26	-	-	-	-	-	-	-	1,774.26
- Derivative financial instruments	-	0.62	0.62	-	0.62	-	-	-	-	-	0.62
- Other Financial Assets	1.00	5.05	6.05	-	-	-	-	-	-	-	6.05
- Trade receivable	-	1,598.28	1,598.28	-	-	-	-	-	-	-	1,598.28
- Cash and Cash equivalents	-	546.31	546.31	-	-	-	-	-	-	-	546.31
- Bank Balances other than cash and cash equivalents"	-	48.87	48.87	-	-	-	-	-	-	-	48.87
	931.85	3,100.42	4,032.27	-	0.62	-	-	0.62	-	-	4,031.65
Financial Liabilities											
- Borrowings	1,671.62	4,298.62	5,970.24	-	-	-	-	-	-	-	5,970.24
- Derivative financial instruments	-	135.21	135.21	-	42.06	-	-	-	93.15	-	135.21
- Other Financial Liabilities	-	531.46	531.46	-	-	-	-	-	-	-	531.46
- Trade Payables	-	2,260.05	2,260.05	-	-	-	-	-	-	-	2,260.05
	1,671.62	7,225.34	8,896.96	-	42.06	-	-	42.06	-	93.15	8,761.75
											8,896.96

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date
- net asset value ('NAV') / fair market value ('FMV') are determined based on audited financial statements / valuation reports / NAV / FMV provided by fund manager
- the fair value of remaining financial instrument is determined using discounted cash flow analysis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

	Venture Capital Fund*
As at April 01, 2019	1,845.69
Acquisitions	182.87
Disposal	(179.37)
Gain recognised in statement of profit and loss	172.20
As at March 31, 2020	2,021.39
Acquisitions	82.10
Disposal	(126.69)
Gain recognised in statement of profit and loss	521.30
As at March 31, 2021	2,498.10

*The Company has invested in following funds and these funds have been further invested into various companies.

1. Faering Capital India Evolving Fund
2. Paragon Partners Growth Fund - I
3. Faering Capital India Evolving Fund II
4. Tata Capital Growth Fund
5. Tata Capital Healthcare Fund

The Company has considered fair market values based on audited financial statement and/or valuation reports and/or NAV / FMV statements provided by venture capital fund.

Investment commitment in respect of venture capital funds are on “as needed” basis and will be at face value. [Refer Note 39(ii)(b).]

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

45 Financial Risk Management:

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Management.

(A) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, future committed transactions, foreign currency receivables, payables, borrowings etc.

The Company manages market risk through its finance department (headed by CFO), which evaluates and exercises independent control over the entire process of market risk management. The finance department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, option contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio, which could vary on either side based on current interest rates scenario.

According to the Company interest rate risk exposure is only for floating rate borrowings. 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.

Exposure to interest rate risk

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings	4,392.58	6,049.91
% of Borrowings out of above bearing variable rate of interest	81.06%	71.05%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2020-2021	2019-2020
50 bp increase- increase in loss *	17.80	21.49
50 bp decrease- decrease in loss *	(17.80)	(21.49)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales, purchases etc. in various foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts and option contracts to hedge exposure to foreign currency risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Derivative instruments and unhedged foreign currency exposure**(a) Derivative outstanding as at the reporting date**

(Foreign Currency in Lakhs)

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	19.63	-	41.33	0.17
Forward Contracts EURO	7.34	-	5.27	-
Forward Contracts GBP	6.89	-	10.25	-
Forward Contracts CHF	-	-	0.07	-
Option Contract USD	2.57	-	-	-

Derivative financial instruments such as foreign exchange forward and option contracts are used for hedging purposes and not as trading or speculative instruments. The Company designates these hedging instruments as cash flow hedges to hedge foreign currency risk in cash flow from firm commitment (sales order/purchase orders).

(b) Particulars of unhedged foreign currency exposures as at the reporting date

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2021				As at March 31, 2020	
	USD	EURO	GBP	HKD	USD	EURO
Trade payables	3.35	**	0.02	0.02	2.01	0.13

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020	
	USD	EURO	GBP	CHF	CAD
Trade Receivables	3.46	0.37	1.24	0.03	-

** Amount is below the rounding off norms adopted by the Company.

Foreign Currency Risk Sensitivity**A change of 5% in Foreign currency would have following Impact on loss before tax**

Particulars	2020-21		2019-20	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(0.41)	0.41	7.58	(7.58)
EURO	(1.59)	1.59	0.54	(0.54)
GBP	(6.18)	6.18	-	-
HKD	0.01	(0.01)	-	-
CHF	-	-	(0.12)	0.12
CAD	-	-	-	-
Increase / (decrease) in loss	(8.17)	8.17	8.00	(8.00)

Market Risk- Price Risk**(a) Exposure**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of portfolio is done in accordance with limits set by the Company.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the BSE index on the Company's equity and other comprehensive income for the year arising from portfolio of investment in equity shares of listed companies. The analysis is based on the assumption that the index has increased by 10 % or decreased by 10 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Impact on Other Comprehensive Income	
	March 31, 2021	March 31, 2020
BSE Sensex 30- Increase 10%	50.27	64.18
BSE Sensex 30- Decrease 10%	(50.27)	(64.18)

Above referred sensitivity pertains to quoted equity investment (Refer Note 8). Other Comprehensive Income for the year would increase/ (decrease) as a result of gains/losses on equity securities as at fair value through Other Comprehensive Income.

(B) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from trade receivables, cash and cash equivalents, deposit with banks, derivative financial instruments, investments, loan to employee and security deposits. The Company manages and analyses the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents, deposit with banks, derivative financial instruments and investment is limited as Company generally deals with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual and accredited venture fund.

While loans in the form of security deposits and loan to employees are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

(i) Credit risk management:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Sale to retail customers are required to be settled in cash or using major cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors or regions.

In respect of sales to export customers, there are no past history of losses, thus the identified expected credit loss was immaterial.

Credit risk for domestic trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business.

Loss allowance for expected credit losses

The Company provides for expected credit loss on domestic trade receivables for indian operations under simplified approach

As at March 31, 2021

Ageing	Total
Gross carrying amount	659.23
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	260.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

As at March 31, 2020

Ageing	Total
Gross carrying amount	572.69
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	174.09

Reconciliation of loss allowance – Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	398.60	398.60
Add:- Additional provision made	-	13.47
Less:- Provision write off/ reversed	-	-
Less:- Provision utilised against bad debts	-	(13.47)
Closing provisions	398.60	398.60

No Significant changes in estimation techniques or assumptions were made during the year.

Significant estimates and judgements:**Impairment of financial assets**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating Rate		
Expiring within one year (Current Borrowing facilities)	939.42	2,201.38
Expiring beyond one year (bank loans)	-	-

The bank loan facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the non-continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

ii) Maturity patterns of borrowings

Particulars	As at March 31, 2021				As at March 31, 2020			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Non current borrowings (Including current maturity of long term debt)	18.56	813.44	-	832.00	79.67	1,671.62	-	1,751.29
Current borrowings	3,560.58	-	-	3,560.58	4,298.62	-	-	4,298.62
Total	3,579.14	813.44	-	4,392.58	4,378.29	1,671.62	-	6,049.91

Maturity patterns of Financial Liabilities - other than borrowings

As at March 31, 2021	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	1,530.52	815.23	-	-	2,345.75
Lease Liabilities	532.79	319.23	651.18	3,089.38	4,592.58
Other Financial Liabilities	119.81	-	10.14	22.83	152.78
Total	2,183.12	1,134.46	661.32	3,112.21	7,091.11

As at March 31, 2020	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	864.05	1,396.00	-	-	2,260.05
Lease Liabilities	496.72	675.72	1,361.50	5,619.29	8,153.23
Other Financial Liabilities	311.96	255.74	19.30	-	587.00
Total	1,672.73	2,327.46	1,380.80	5,619.29	11,000.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

45 Financial risk management (contd.)

Impact of Hedging Activities

(a) Disclosure of effects of hedge accounting on financial position:

Cash flow hedge of Foreign exchange risk as at March 31, 2021:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	1,543.82	14.08	1:1	14.08	14.08
Foreign currency options	188.83	2.64	1:1	2.64	2.64

Cash flow hedge of Foreign exchange risk as at March 31, 2020:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	3,164.86	93.15	1:1	(93.15)	(93.15)

(b) Disclosure of effects of hedge accounting on financial performance:

Cash flow hedge March 31, 2021

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	14.08	-	93.15	Revenue
Foreign exchange risk - Options contracts	2.64	-	-	Revenue
	16.72	-	93.15	

Cash flow hedge March 31, 2020

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	(93.15)	-	(59.50)	Revenue
Foreign exchange risk	-	-	0.01	Purchase
	(93.15)	-	(59.49)	

Amount in bracket represents expense/ loss

* The foreign exchange forward contracts and option contract are denominated in the same currency as the firm commitment (sales order/purchase orders), therefore the hedge ratio is 1:1.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Movements in cash flow hedging reserve

Derivative Instrument	Foreign exchange forward contracts - SELL	Foreign exchange forward contracts - BUY	Foreign exchange options	Total
Balance – As at April 01, 2019	43.41	(0.01)	**	43.40
Change in fair value of foreign exchange forward contract	(93.15)	-	-	(93.15)
Amount reclassified to profit or loss	(59.50)	0.01	**	(59.49)
Deferred tax relating to the above (net)	42.00	**	**	42.00
Balance – As at March 31, 2020	(67.24)	-	-	(67.24)
Change in fair value of foreign exchange forward contract	14.08	-	-	14.08
Change in intrinsic value of foreign currency options	-	-	2.64	2.64
Amount reclassified to profit or loss	93.15	-	-	93.15
Deferred tax relating to the above (net)	(29.77)	-	(0.72)	(30.49)
Balance – As at March 31, 2021	10.22	-	1.92	12.14

** Amount is below the rounding off norms adopted by the Company.

Amount in bracket represents expense/ loss

46 Capital Management:**(a) Risk Management**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company's management monitors the return on capital as well as the level of dividends to shareholders.

(b) Dividend

Particulars	March 31, 2021	March 31, 2020
Equity shares		
Final dividend for the year ended March 31, 2020 of ₹ Nil (March 31, 2019 – ₹ 1) per fully paid share	-	212.95
Dividend distribution tax payable of ₹ Nil (Previous Year ₹ 36.85 lakhs) on final dividend is fully set-off against the tax payable by the Company on dividend received from Zodiac Clothing Company S. A. as per the provisions of section 115-O and 115BO of Income Tax Act, 1961.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

47 Ind AS 116 - Leases

During the previous year the Company has adopted Ind AS 116 retrospectively from April 01, 2019, as permitted under the specific provisions in the standard.

Impact of Ind AS 116 on retained earnings

Particulars		Amount
Right of use assets (Net of reclassification (Prepaid Rent Expenses and Leasehold land))	(A)	10,830.21
Lease liabilities (Net of reclassification (Trade Payables- Accrued Rent))	(B)	12,211.00
Impact on retained earnings as on April 01, 2019 (before tax)	(C) = (A - B)	(1,380.79)
Deferred tax assets (net)	(D)	384.13
Net Impact on retained earnings on April 01, 2019	(C) - (D)	(996.66)

48 Impact of COVID-19

The Central/State Government authorities had imposed various restrictions to control the spread of Covid 19 pandemic during the year and consequently, the low market demand had affected the Company's operations for the year ended March 31, 2021. However, the Company had taken various steps including cost reduction measures, bringing in operational synergies etc. to ensure sufficient liquidity for the Company's operations.

Towards the end of the current year, the second wave of Covid-19 pandemic hit the country and has once again resulted in disruption of business as State government authorities had announced partial/complete lockdown. With easing of certain restrictions in June 2021 by State government authorities, the Management expects demand to revive.

The Company's Management has done an assessment of the situation (including the liquidity position after taking into consideration continuing cost reduction measures, available investments, surplus funds with the group, undrawn bank facilities etc.), and carrying value of all its assets and liabilities as at March 31, 2021, and concluded that there are no material adjustments required in the standalone financial statements as at March 31, 2021. However, the impact assessment due to COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

- 49 The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 50 The Company has incorporated wholly owned step- down subsidiary Zodiac Clothing Company Inc. in United States of America effective May 11, 2021.
- 51 These standalone financial statements were authorised for issue by the directors on June 30, 2021.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sachin Parekh

Partner

Membership No. 107038

Mumbai
June 30, 2021

For and on behalf of the Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai
June 30, 2021

S. Y. NOORANI

Vice Chairman and Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary



Pure Silk Vicenza Ties



Pure Silk Vicenza Ties



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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZODIAC CLOTHING COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Zodiac Clothing Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 40 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 48 to the consolidated financial statements, which explain the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the Covid-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

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

Below Key Audit Matters have been reproduced from the report on the audit of the standalone financial statements of the Holding Company.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of carrying value of property, plant and equipment (including capital work-in-progress), right of use assets and other intangible assets (together referred as the "Assets") (Refer to Notes 4(a), 4(b), 4(c) and 6 in the standalone financial statements)</p> <p>The carrying value of Assets is ₹ 13,748.48 Lakhs as at March 31, 2021 which is significant to the balance sheet. The Management has assessed whether there are any indications for impairment of Assets considering internal and external sources of information, as per Ind AS 36 – Impairment of Assets.</p> <p>For the purposes of impairment testing, the carrying value of the cash generating unit (CGU) was compared to the recoverable amount of CGU. The Company has applied fair value less costs of disposal method in determining the recoverable value of CGU. In this connection, the Management has engaged an external registered valuer to determine the fair value of immovable properties and, the fair value of other assets were determined on the basis of management's judgement and estimates.</p>	<p>We have performed audit procedures including the following:</p> <ul style="list-style-type: none"> • Obtained understanding, evaluated and tested the design and operating effectiveness of the Company's relevant controls relating to impairment assessment including determining recoverable value of Assets. • Assessed whether the Company's identification of CGU is appropriate. • Perused the report issued by the external registered valuer engaged by the management. • Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management for valuation of immovable properties. • Engaged auditors' valuation experts to assess appropriateness of valuation methodology. • Verified the input data in the valuation report of immovable properties (such as description, area etc.) with the agreements. • Evaluated the reasonableness of assumptions applied by management, in determining the fair value of other assets. • Verified the mathematical accuracy of underlying calculations of recoverable amount and compared with the carrying value of Assets.

<p>Based on the assessment, the Management has concluded that no impairment was required as of March 31, 2021.</p> <p>Considering significant carrying value of Assets, involvement of valuation expert, judgment and estimates made by Management, we have considered this as a Key Audit Matter.</p>	<ul style="list-style-type: none"> Performed sensitivity analysis over the key assumptions, to assess the potential impact on impairment results and the range of possible outcomes of recoverable value of Assets. <p>Based on the above procedures performed by us, we found the Management's assessment of carrying value of Assets to be reasonable.</p>
<p>Assessment of recoverability of deferred tax assets (Refer to Note 37 in the standalone financial statements)</p> <p>The carrying value of Deferred Tax Assets is ₹ 1,564.88 Lakhs as at March 31, 2021. Deferred tax assets are recognised on unabsorbed depreciation and other temporary differences as it is considered to be recoverable based on the Company's projected future taxable income, in line with Ind AS 12 – Income Taxes.</p> <p>We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of projected future taxable income considering the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer. The Management has also engaged tax expert to assess utilization of available tax benefits in accordance with prevailing taxation laws.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding, evaluated and tested the design and operating effectiveness of key controls relating to recognition and assessment of deferred tax assets. Reviewed the Company's accounting policy in respect of recognizing deferred tax asset on temporary differences and unabsorbed depreciation Evaluated the judgements and assumptions made by the Management in determining the projected future taxable income for reasonableness. Checked the mathematical accuracy of the underlying calculations of the projections. Evaluated the competence, capabilities and objectivity of the external registered valuer engaged by the Management. Verified the input data in the valuation report of immovable properties (such as description, area) with agreements and assessed the appropriateness of tax rate applied to the projected future taxable income. Engaged with auditors' tax experts to assess utilization of available tax benefits against the projected future taxable income in accordance with prevailing taxation laws and consequential recognition of deferred tax assets Performed sensitivity analyses on the projected taxable profits by varying key assumptions, within reasonably foreseeable range. Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. <p>Based on the above procedures performed by us, the Management's assessment of recoverability of deferred tax assets was considered to be reasonable.</p>

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the chairman's statement, director's report, annexure to director's report, report on corporate governance and management discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has

adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company 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.
 13. 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.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The financial statements of three subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 3,878 lakhs and net assets of ₹ 3,678 lakhs as at March 31, 2021, total revenue of ₹ 511 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 728 lakhs and net cash inflows amounting to ₹ 252 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated financial statements disclose the impact, of pending litigations on the consolidated financial position of the Group. (Refer Note 37(i) to the consolidated financial statements).
 - The Group had long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group did not have any long-term derivative contracts as at March 31, 2021.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021.
 - The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.
17. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sachin Parekh
Place : Mumbai Membership Number: 107038
Date : June 30, 2021 UDIN: 21107038AAAAEO8463

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Zodiac Clothing Company Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Zodiac Clothing Company Limited (hereinafter referred to as "the Holding Company"), as of that date. Since all the subsidiary companies are incorporated outside India, the reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of adequacy of internal financial controls with reference to financial statements is not applicable to them.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Zodiac Clothing Company Limited on the consolidated financial statements for the year ended March 31, 2021

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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. Also Refer Paragraph 4 of the main audit report.

Opinion

8. In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sachin Parekh
Partner

Place : Mumbai Membership Number: 107038
Date : June 30, 2021 UDIN: 21107038AAAAEO8463

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Balance Sheet as at March 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4(a)	9,955.35	11,230.49
	Right-of-use assets	4(c)	3,857.84	7,134.97
	Capital work - in - progress	4(b)	128.34	186.94
	Investment properties	5	1,132.18	744.63
	Intangible assets	6	162.42	210.67
	Financial assets			
	- Investments	7	3,000.84	2,663.17
	- Loans	8	1,147.00	955.10
	- Others financial assets	9	1.00	1.00
	Deferred tax assets (net)	35	1,564.88	1,571.89
	Non - Current tax assets (net)	35	1,050.47	1,324.86
	Other non - current assets	10	655.01	333.49
2	Current assets			
	Inventories	11	7,692.60	8,822.70
	Financial assets			
	- Investments	12	620.63	164.65
	- Trade receivables	13	1,793.71	1,750.57
	- Cash and cash equivalents	14	1,723.16	1,925.77
	- Bank Balances other than cash and cash equivalents	15	44.93	277.23
	- Loans	16	1,412.89	2,236.04
	- Others financial assets	17	130.66	601.43
	Current tax assets (net)	35	234.56	-
	Other current assets	18	2,190.49	2,548.99
	TOTAL ASSETS		38,498.96	44,684.59
II	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	19	2,475.95	2,247.77
	Other equity	20	23,136.64	23,661.54
2	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Borrowings	21	813.44	1,671.62
	- Lease Liabilities	4(c)	3,089.38	5,619.29
	- Other financial liabilities	24	22.83	-
	Provisions	25	5.12	0.66
	Deferred tax liabilities	35	540.91	653.32
	Other non-current liabilities	26	36.21	-
	Current liabilities			
	Financial liabilities			
	- Borrowings	22	3,560.58	4,298.62
	- Lease Liabilities	4(c)	1,503.20	2,533.94
	- Trade payables	23		
	- total outstanding dues of micro and small enterprises		54.18	37.94
	- total outstanding dues of creditors other than micro and small enterprises		2,276.44	2,217.49
	- Other financial liabilities	24	152.30	670.19
	Provisions	25	89.28	140.49
	Other current liabilities	26	742.50	931.72
	TOTAL EQUITY AND LIABILITIES		38,498.96	44,684.59
	Significant Accounting Policies	2		

The accompanying notes (1 - 51) are an integral part of these consolidated financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Sachin Parekh
Partner
Membership No. 107038
Mumbai
June 30, 2021

A. Y. NOORANI
Chairman
DIN: 00041608

B. MAHABALA
Chief Financial Officer
Mumbai
June 30, 2021

S. Y. NOORANI
Vice Chairman and Managing Director
DIN: 00068423

KUMAR IYER
Company Secretary

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	INCOME			
	Revenue from operations	27	10,009.84	19,082.42
	Other income	28	2,740.66	1,213.79
	Total Income		12,750.50	20,296.21
II	EXPENSES			
	Cost of materials consumed	29	3,384.15	6,914.13
	Purchases of stock-in-trade		136.26	376.69
	Changes in inventories of finished goods, stock-in-trade and work-in progress	30	814.68	(453.41)
	Employee benefits expense	31	3,862.94	5,424.98
	Finance costs	32	903.71	1,385.65
	Depreciation and amortization expense	33	2,338.51	3,545.82
	Other expenses	34	4,286.51	6,106.86
	Total expenses		15,726.76	23,300.72
III	Loss before tax		(2,976.26)	(3,004.51)
IV	Tax expense	35		
	Current tax		113.30	110.80
	Deferred tax		(147.61)	(243.75)
	Tax in respect of earlier years		(3.77)	24.98
V	Loss for the year		(2,938.18)	(2,896.54)
VI	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of net defined benefit plans	39	73.49	(76.35)
	- Equity Instruments through Other Comprehensive Income		51.62	(1,003.00)
	- Income tax relating to above items		(11.72)	-
	(ii) Items that may be reclassified to profit or loss			
	- Net gains/(losses) on cash flow hedges		85.11	(68.39)
	- Exchange differences on translation of foreign operations		(26.55)	285.02
	- Income tax relating to above items		(30.49)	25.91
VII	Total Comprehensive Loss for the year		(2,796.72)	(3,733.35)
VIII	Loss attributable to:			
	Owners of the Company		(2,938.18)	(2,896.54)
	Non Controlling Interest		-	-
IX	Other comprehensive income attributable to:			
	Owners of the Company		141.46	(836.81)
	Non Controlling Interest		-	-
X	Total comprehensive loss attributable to:			
	Owners of the Company		(2,796.72)	(3,733.35)
	Non Controlling Interest		-	-
XI	Loss per equity share of ₹ 10 each	38		
	Basic (₹)		(13.04)	(13.10)
	Diluted (₹.)		(13.04)	(13.10)
	Significant Accounting Policies	2		

The accompanying notes (1 - 51) are an integral part of these consolidated financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Sachin Parekh
Partner
Membership No. 107038
Mumbai
June 30, 2021

A. Y. NOORANI
Chairman
DIN: 00041608

S. Y. NOORANI
Vice Chairman and Managing Director
DIN: 00068423

B. MAHABALA
Chief Financial Officer
Mumbai
June 30, 2021

KUMAR IYER
Company Secretary

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Statement of Cash Flows for the year ended March 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(2,976.26)	(3,004.51)
Adjustments for:		
Depreciation and amortization expenses	2,338.51	3,545.82
Finance costs	903.71	1,385.65
Unrealised exchange gain on foreign currency translation / transaction (net)	(29.86)	(21.40)
Dividend Income	(9.80)	(57.24)
Rent income	(140.15)	(386.13)
Unwinding of discount on security deposits	(77.66)	(106.73)
Interest income	(18.98)	(11.60)
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	(554.23)	(218.57)
Bad debts, loans, advances, deposits etc. written off (net of provision written back)	266.14	84.86
Covid-19 related Rent Concessions	(1,152.20)	-
Gain on termination / remeasurement of lease contracts	(614.75)	(172.84)
Net Loss on sale/discard of property, plant and equipment	192.16	36.80
Operating loss/profit before working capital changes	(1,873.37)	1,074.11
Adjustments for:		
Decrease in trade and other receivables	478.13	594.20
Decrease / (Increase) in inventories	1,130.10	(98.70)
Decrease in trade and other payables	(546.76)	(331.42)
(Decrease) / Increase in provisions	26.74	(57.55)
	(785.16)	1,180.64
Less: Direct taxes paid (net of refunds)	(69.70)	(111.59)
Net cash flows (used in) / generated from operating activities	(854.86)	1,069.05
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of property, plant and equipment	37.59	4.82
Interest received	14.66	12.85
Rent Received	243.51	386.13
Sale proceeds of non-current investments	396.45	983.46
Sale proceeds of current investments (Net)	-	965.80
Dividend received	9.80	57.24
Proceeds of Sale of Investments in Subsidiary (sold in earlier year)	523.18	1,372.17
Loan repaid back	95.18	-
Proceeds from Term Deposits (Net)	230.61	476.94
	1,550.98	4,259.41
Outflows		
Purchase of property, plant and equipment/ intangible assets	(153.47)	(455.56)
Purchase of current investments (Net)	(425.33)	-
Purchase of non-current investments	(158.98)	(182.87)
Loans given	-	(315.12)
	(737.78)	(953.55)
Net cash generated from investing activities	813.20	3,305.86
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from issue of equity shares (including securities premium) / share warrants	2,500.00	500.00
Proceeds from non-current borrowings	1,094.65	1,671.62
	3,594.65	2,171.62
Outflows		
Repayment of non-current borrowings	(2,013.94)	(210.82)
Repayment of current borrowings (net)	(738.04)	(1,778.07)
Payment of Principal portion of lease liabilities	(77.46)	(2,213.03)
Interest paid on lease liabilities	(477.68)	(939.57)
Interest paid on others	(448.48)	(444.38)
Dividend paid	-	(212.95)
	(3,755.60)	(5,798.82)
Net cash used in financing activities	(160.95)	(3,627.20)
Net increase / (decrease) in cash and cash equivalents	(202.61)	747.71
Add : Cash and cash equivalents at beginning of the year	1,925.77	1,178.06
Cash and cash equivalents at end of the year	1,723.16	1,925.77
Non-cash financing and investing activities	As at	As at
Acquisition of right-of-use assets	March 31, 2021	March 31, 2020
	342.50	859.32
Cash and cash equivalents as per above comprises of the following	As at	As at
	March 31, 2021	March 31, 2020
Cash on hand	2.66	1.73
Balances with Banks	1,720.50	1,924.04
Total	1,723.16	1,925.77

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes (1 - 51) are an integral part of these consolidated financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai

June 30, 2021

S. Y. NOORANI

Vice Chairman and Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

Sachin Parekh

Partner

Membership No. 107038

Mumbai

June 30, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021
(ALL AMOUNTS ARE IN ₹ LAKHS, UNLESS OTHERWISE STATED)

A. Equity Share Capital

	Notes	Amount
As at April 01, 2019		2,129.46
Changes in equity share capital	19	118.31
As at March 31, 2020		2,247.77
Changes in equity share capital	19	228.18
As at March 31, 2021		2,475.95

B. Other Equity

Particulars	Money received against Share Warrants	Reserves and Surplus				Other Comprehensive Income (OCI)				Total		
		Securities Premium	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments		Cash Flow Hedging Reserve	Foreign Currency Translation Reserve
Balance as at April 01, 2019	1,500.00	5,519.01	8.16	15.84	200.00	17.98	2,693.15	15,771.32	2,172.46	43.40	324.89	28,266.21
Loss for the year	-	-	-	-	-	-	-	(2,896.54)	-	-	-	(2,896.54)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(76.35)	(1,003.00)	-	285.02	(794.33)
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	(42.48)	(42.48)	-	(42.48)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(2,972.89)	(1,003.00)	(42.48)	285.02	(3,733.35)
Adjustment on adoption of Ind AS 116 (net of deferred tax ₹ 384.13 Lakhs) (Refer Note 47)	-	-	-	-	-	-	-	(996.66)	-	-	-	(996.66)
Transactions with owners in their capacity as owners:												
Share Application Money received	500.00	-	-	-	-	-	-	-	-	-	-	500.00
Allotment of Equity Shares (including Securities Premium)	(2,000.00)	-	-	-	-	-	-	-	-	-	-	(2,000.00)
Premium Received on Issue of Equity Shares	-	1,881.69	-	-	-	-	-	(212.95)	-	-	-	1,881.69
Dividends	-	-	-	-	-	-	-	707.82	(707.82)	-	-	(212.95)
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	-	-	-	(43.40)	-	(43.40)
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	7,400.70	8.16	15.84	200.00	17.98	2,693.15	12,296.64	461.64	(42.48)	609.91	23,661.54
Loss for the year	-	-	-	-	-	-	-	(2,938.18)	-	-	-	(2,938.18)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	73.49	39.90	12.14	(26.55)	86.84
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	-	42.48	-	42.48
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(2,864.69)	39.90	54.62	(26.55)	(2,796.72)
Transactions with owners in their capacity as owners:												
Premium Received on Issue of Equity Shares	-	2,271.82	-	-	-	-	-	-	-	-	-	2,271.82
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	-	185.18	(185.18)	-	-	-
Balance as at March 31, 2021	-	9,672.52	8.16	15.84	200.00	17.98	2,693.15	9,617.13	316.36	12.14	583.36	23,136.64

The accompanying notes (1 - 51) are an integral part of these consolidated financial statements

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

S. Y. NOORANI

Vice Chairman and Managing Director
DIN: 00068423

A. Y. NOORANI

Chairman
DIN: 00041608

B. MAHABALA

Chief Financial Officer

KUMAR IYER

Company Secretary

Sachin Parekh

Partner

Membership No. 107038

Mumbai

June 30, 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

1 Background and Operations

Zodiac Clothing Company Limited ('the Company') incorporated in India and its subsidiary and step down subsidiaries together constitutes the Zodiac Group ('the Group') which mainly deals in clothing and clothing accessories.

2 Significant accounting policies

(a) Basis of preparation of consolidated Financial Statements

(i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)], and other relevant provisions of the Act.

(ii) Going Concern Assessment

The Directors of the Company have assessed its liquidity position (including the impact of COVID-19 and possible sources of funds). The Board of Directors are confident of the Group's ability to meet its obligation atleast for the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on going concern basis.

(iii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iv) New and amended standards adopted by the Group

The Group has applied the following standard and amendment for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material - Amendments to Ind AS 1, Presentation of Financial Statements and IndAS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Definition of Business - Amendments to Ind AS 103, Business Combinations
- Covid 19 related rent concessions - Amendments to Ind AS 116, Leases
- Interest Rate Benchmark Reform - Amendment to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures

The Group has applied Covid 19 related rent concessions which had material impact on the financial statements. Refer Note 2(g) and 4(c) for details. The other amendments listed above did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.

(v) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(vi) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

**(b) Principles of consolidation
Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Use of estimates and judgments

The estimates and judgments used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow

to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

The Group depreciates its property, plant and equipment in respect of Zodiac Clothing Company Limited, India on a straight line method net of residual values over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act, except for the following class of assets, useful life for which is based on a technical evaluation and taking into consideration nature of Group’s business and past experience of usage of such assets :

Description of asset	Useful life followed by the Group	Useful life as prescribed under Schedule II
Plant and equipment	21 Years*	15 Years*
Furniture and fixtures	16 Years	10 Years
Office equipments	21 Years	5 Years
Computer (including servers)	6 Years	3-6 Years
Electrical Installation	21 Years	10 years

* Based on single shift

In respect of **Zodiac Clothing Company (U.A.E.) LLC., UAE**, the useful life are as follows:

Description of asset	Useful life
Factory Building	- 10 Years
Plant and equipment	- 8 Years
Furniture and fixtures	- 10 Years
Vehicles	- 5 Years

The residual values are generally not more than 5% of the original cost of the asset.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term. Period of lease is either the primary lease period or where the Group as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not

occupied by the Group, is classified as investment property. Investment property is initially recognized at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties, net of residual value are depreciated using the straight-line method over their useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in Schedule II of the Act.

(f) Intangible assets

Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method

The Group amortizes intangible assets using the straight-line method over following period:

Nature of intangible asset	Useful life
- Computer Software	6 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(g) Lease

As lessee

The Group’s lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They

are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments and payments to be made under reasonably certain extension option are also included in measurement of liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The amount on remeasurement of lease liability is adjusted to the right of use asset and any remaining amount is recognised in statement of profit and loss.

Lease liability and ROU asset have been presented separately on the face of the Balance Sheet and lease payments have been classified as financing cash flows.

Covid-19-Related Rent Concessions:

The Ministry of Corporate Affairs vide notification dated 24 July 2020, issued an amendment to Ind AS 116- Leases, by inserting a practical expedient on “Covid19-Related Rent Concessions”. Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions in the Statement of Profit and Loss, in respect of leases, which has satisfied following conditions:

- i) the change in lease payments results in revised consideration for the lease that is less than, the consideration for the lease immediately preceding the change
- ii) any reduction in lease payments affects only payments originally due on or before the June 30, 2021
- iii) there is no substantive change to other terms and conditions of the lease.

The Group has recognised such Covid-19 related rent concessions as other income in the period in which such concessions are agreed with lessor, with corresponding impact to lease liabilities.

As lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the excepted inflationary cost increases.

(h) Cash and Cash Equivalents

For the purpose of presentation in the statement

of cash flows, cash and cash equivalents includes cash on hand, Bank overdrafts, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Inventories

Inventories of Raw Materials, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated ‘at cost or net realisable value, whichever is lower’. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is ‘First-in-First-Out’, ‘Weighted Average cost’ or ‘Specific Identification’, as applicable.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

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

Slow-moving, non-moving & defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc.

The inventories resulting from intra-group transactions have been stated at cost after deducting unrealised profit on such transactions.

(j) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition

Purchases and sales of financial assets are recognised on trade - date, being the date on which the Group commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Group subsequently measures all equity investments at fair value. Where the Group has

elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised as other income in the Statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, are measured at amortised cost e.g., loans, deposits, and bank balance.
- (b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(v) Derecognition

A financial asset is derecognised only when
 - the Group has transferred the rights to receive the cash flows from the financial asset or
 - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(vi) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance cost.

Other interest and borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A Contingent assets disclosed in respect of possible asset that may arise from past event and whose

existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

(n) Revenue recognition

Sale of goods - Wholesale

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transfer to customer and the Group has objective evidence that all criteria for the acceptance have been satisfied. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of goods - Retail

The Group operates a chain of retail stores. Revenue from the sale of goods is recognised when the Group entity sells a product to the customer. Payment of transaction price is generally due immediately when the customer purchases the goods and takes delivery in store.

Sales return

Accumulated experience is used to estimate and provide for the sales return, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected sales return in relation to sales made until the end of the reporting period.

Service income

Sale of services - Revenue is recognised based on actual service provided at the end of the reporting period as proportion of total service to be provided.

Other operating revenue - Export incentives -

Export incentives under various schemes of Government of India are accounted on accrual basis on the basis of exports made and when there is reasonable assurance that the Group entity will comply with the conditions and incentive will be received.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

Defined Benefits Plan

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

The Group pays Provident Fund (PF) contributions, Employees State Insurance Scheme (ESIC) etc., to publicly administered funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for restructuring that is within the scope of Ind AS-37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(p) Foreign currency transactions

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(iii) Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as a part of gain or loss on sale.

(q) Derivative and hedging activities

Derivatives are only used for economic hedging

purposes and not as speculative investments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitment transactions (sales orders/purchase orders) (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objectives and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to 12 months.

Cash flow hedges that qualify for hedge accounting –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge.

When forward contracts are used to hedge forecast transactions, the Group designates them in entirety as the hedging instrument. Gains or losses relating to effective portion of fair value of forward contracts are recognised in the other comprehensive income in the cash flow hedging reserve within other equity.

When the option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument.

Amounts accumulated in equity are reclassified to statement of profit and loss in the periods when the hedged item affects profit or loss i.e when the underlying sales or purchase transaction occurs. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Derivative Contracts other than cash flow hedges: Derivative contracts which are not designated as cash flow hedges, are accounted for at fair value through profit or loss and are included in Statement of Profit and Loss.

(r) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

(t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker(CODM). The CODM, being the Managing Director of the Company, assesses the financial performance and position of the Group and makes strategic decisions.

(u) Impairment of non-financial assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(v) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

(w) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

(x) Recent Accounting Pronouncements:

Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 on 18 June, 2021. The amendments to Ind AS are:

- Amendment to interest rate benchmark reform - Amendment to Ind AS 107 and Ind AS 109
- Extending optional practical expedient for lessees with respect to Covid-19 related rent concession - Amendment to Ind AS 116

The Group has decided to apply these amendments effective April 01, 2021.

The Group has received rent concessions related to COVID - 19 subsequent to year end (which complies with extended practical expedient condition) and is currently assessing its impact. Further, based on the assessment, the other amendments listed above are not expected to have any material impact on the Company's stand-alone financial statements.

3 Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 39)
- Recoverability of deferred tax assets (Refer Note 35)
- Allowance for doubtful debts (Refer Note 13 and 45)
- Fair value of Investment properties (Refer Note 5)
- Direct tax litigations (Refer Note 37)
- Determination of lease term (Refer Note 4(c))
- Impairment of non-financial assets (Refer Note 2(u))
- Impact of Covid-19 (Refer Note 48)
- Provision for Inventory Obsolescence (Refer Note 2(i) and 11)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(a) Property, Plant and Equipment

	Land		Buildings	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computer	Electrical Installation	Total
	Freehold	Leasehold									
Gross Carrying Amount											
Balance as at April 01, 2019	420.90	2.54	3,375.96	2,425.91	3,890.17	2,832.52	68.11	650.97	224.50	835.46	14,727.04
Additions	-	-	138.97	126.62	3.37	116.05	-	28.96	9.53	68.32	491.82
Disposals	12.49	-	-	113.48	1.07	6.93	1.32	6.12	0.24	5.79	147.44
Adjustment on adoption of Ind AS 116 Policy (Refer Note (v) below and Note 47)	-	-	-	-	-	-	-	-	-	-	-
Currency Alignment	-	2.54	(19.55)	-	(2.04)	(2.76)	(0.75)	-	-	-	2.54
Balance as at March 31, 2020	408.41	-	3,495.38	2,439.05	3,890.43	2,938.88	66.04	673.81	233.79	897.99	15,043.78
Additions	-	-	-	54.64	10.24	43.01	-	4.43	1.98	17.13	131.43
Disposals	-	-	5.29	135.69	190.76	108.69	6.98	8.33	2.40	31.79	489.93
Reclassified to Investment Property (Refer Note (vi) below and Note 5)	45.94	-	411.21	-	-	-	-	-	-	-	457.15
Currency Alignment	-	-	(29.61)	-	(2.94)	(3.98)	(1.08)	-	-	-	(37.61)
Balance as at March 31, 2021	362.47	-	3,049.27	2,358.00	3,706.97	2,869.22	57.98	669.91	233.37	883.33	14,190.52
Accumulated depreciation											
Balance as at April 01, 2019	-	0.60	216.84	873.04	680.07	691.24	53.90	105.09	145.88	130.65	2,897.31
Additions	-	-	99.36	355.11	234.77	232.41	0.86	36.84	19.30	63.13	1,041.78
Disposals	-	-	-	99.41	0.13	2.81	0.52	1.61	0.24	1.10	105.82
Adjustment on adoption of Ind AS 116 Policy (Refer Note (v) below and Note 47)	-	0.60	-	-	-	-	-	-	-	-	0.60
Currency Alignment	-	-	(14.58)	-	(2.04)	(2.01)	(0.75)	-	-	-	(19.38)
Balance as at March 31, 2020	-	-	301.62	1,128.74	912.67	918.83	53.49	140.32	164.94	192.68	3,813.29
Additions	-	-	107.56	155.06	220.02	200.15	0.60	35.59	17.67	45.59	782.24
Disposals	-	-	4.16	53.80	127.77	72.01	4.74	1.74	2.40	8.92	275.54
Reclassified to Investment Property (Refer Note (vi) below and Note 5)	-	-	-	-	-	-	-	-	-	-	-
Currency Alignment	-	-	53.66	-	(2.94)	(3.04)	(1.08)	-	-	-	53.66
Balance as at March 31, 2021	-	-	327.26	1,230.00	1,001.98	1,043.93	48.27	174.17	180.21	229.35	4,235.17
Carrying Amount											
Balance as at March 31, 2020	408.41	-	3,193.76	1,310.31	2,977.76	2,020.05	12.55	533.49	68.85	705.31	11,230.49
Balance as at March 31, 2021	362.47	-	2,722.01	1,128.00	2,704.99	1,825.29	9.71	495.74	53.16	653.98	9,955.35

4(b) Capital Work in Progress

Capital Work in Progress (Refer Note iv)	Opening carrying amount	Additions	Disposals	Transfer	Closing carrying amount
Balance as at March 31, 2020	203.25	8.97	-	25.27	186.94
Balance as at March 31, 2021	186.94	-	15.36	43.24	128.34

Notes:

- Refer Note 37 for disclosure of contractual commitments for acquisition of property, plant and equipment.
- Refer Note 36 for information on property, plant and equipment pledged as security by the Group.
- In case of Zodiac Clothing Company (U.A.E.) LLC, Factory building [carrying value of ₹167.95 Lakh (previous year ₹200.12 Lakh)] is constructed on leasehold land which is in name of U.A.E. national shareholder.
- Capital Work in Progress primarily includes plant and machinery under installation, leasehold improvements and furniture & fixtures related to retail shops.
- Pursuant to the adoption of Ind AS 116, leasehold land is presented as Right of use assets (Refer Note 4(c)).
- The Group as part of cost reduction measure has consolidated its plant operations, consequent to which, has transferred land having carrying value of ₹ 45.94 Lakhs and Building having carrying value of ₹ 357.55 Lakhs as at March 31, 2021 situated at Whitefield, Bengaluru to Investment properties, as it intends to hold aforesaid assets for long term capital appreciation purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(c) Leases

This note provides information for leases where the Group is a lessee. The Group leases Land and Building (retail stores, factories, warehouse, offices, guest house etc.). Rental contracts are typically made for periods of 1 year to 9 years, but may have extension options as described in (iv) below.

(i) Amounts recognised in balance sheet		
The balance sheet shows the following amounts relating to leases:		
Particulars	As at March 31, 2021	As at March 31, 2020
Right of use assets		
- Leasehold Land	1.54	1.74
- Buildings	3,856.30	7,133.23
Total	3,857.84	7,134.97

Set out below are the carrying amounts of right of use assets recognised and movements during the year:			
Particulars	Lease hold Land	Buildings	Total right of use assets
I. Gross carrying amount			
Balance as at April 01, 2019	2.54	17,575.06	17,577.60
Additions	-	859.32	859.32
Deductions on disposals	-	4,991.02	4,991.02
Balance as at March 31, 2020	2.54	13,443.36	13,445.90
Additions	-	342.50	342.50
Deductions on disposals	-	4,296.76	4,296.76
Balance as at March 31, 2021	2.54	9,489.10	9,491.64
II. Accumulated depreciation			
Balance as at April 01, 2019	0.60	6,255.58	6,256.18
Depreciation expense for the year	0.20	2,412.84	2,413.04
Deductions on disposals	-	2,358.29	2,358.29
Balance as at March 31, 2020	0.80	6,310.13	6,310.93
Depreciation expense for the year	0.20	1,470.95	1,471.15
Deductions on disposals	-	2,148.28	2,148.28
Balance as at March 31, 2021	1.00	5,632.80	5,633.80
Carrying amount			
Balance as at March 31, 2020	1.74	7,133.23	7,134.97
Balance as at March 31, 2021	1.54	3,856.30	3,857.84

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities		
Current	1,503.20	2,533.94
Non-Current	3,089.38	5,619.29
Total	4,592.58	8,153.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

4(c) Leases (Contd...)**(ii) Amounts recognised in the statement of profit and loss**

The statement of profit and loss shows the following amount relating to lease:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge of Right-of-use assets		
- Leasehold Land	0.20	0.20
- Buildings	1,470.95	2,412.84
Total	1,471.15	2,413.04

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
COVID-19 related Rent Concessions (included in other income)*	1,152.20	-
Gain on termination / remeasurement of lease contracts (included in other income)	614.75	172.84
Interest expense (included in finance costs)	477.68	939.57
Expense relating to short-term leases (included in other expenses)	365.81	317.99
Expense relating to variable lease payments not included in lease liabilities	185.84	35.92

The total cash outflow for leases for the year ended March 31, 2021 was ₹ 1,106.79 Lakhs (March 31, 2020 ₹ 3,506.51 Lakhs) (including short term and variable lease payments).

***Covid-19-Related Rent Concessions:**

As described in Note No 2(g) Accounting Policy on Leases, the Ministry of Corporate Affairs vide notification dated 24 July 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. Covid-19 Related Rent Concessions.

Certain lessors have provided rent concessions to the Group as a result of the Covid-19 pandemic. Rent concession include rent holidays, rent reduction or variable rent as % of sales for a certain period but not beyond June 30, 2021.

Pursuant to the above amendment, the Group has applied the practical expedient in respect of leases which satisfies three conditions mentioned therein, and recognized unconditional rent concessions in the Statement of Profit and Loss as Other Income.

(iii) Variable Lease Payments

Some property leases contain variable payment terms that are linked to sales generate from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 10% to 30% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all stores in the Group with such variable lease contracts would increase total lease payments by approximately ₹ 18.58 Lakhs (March 31, 2020 ₹ 3.59 Lakhs).

(iv) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(v) Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the Group considers factors such as historical lease durations and the costs and business disruption required to replace the leased asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

5. Investment Properties

	As at March 31, 2021			As at March 31, 2020
	Land	Building	Total	Building
Gross carrying amount				
Opening gross carrying amount	-	806.02	806.02	806.02
Additions	-	-	-	-
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	45.94	411.21	457.15	-
Closing gross carrying amount	45.94	1,217.23	1,263.17	806.02
Accumulated depreciation				
Opening accumulated depreciation	-	61.39	61.39	45.95
Additions	-	15.94	15.94	15.44
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	-	53.66	53.66	-
Closing accumulated depreciation	-	130.99	130.99	61.39
Net carrying amount	45.94	1,086.24	1,132.18	744.63

Notes:

(i) Amounts recognised in statement of profit or loss for investment properties:

Particulars	As at March 31, 2021	As at March 31, 2020
Rental income derived from investment properties	131.15	377.13
Direct operating expenses (including repairs and maintenance) of investment properties	3.57	2.34
Income arising from investment properties before depreciation	127.58	374.79
Depreciation	15.94	15.44
Income arising from investment properties (Net)	111.64	359.35

(ii) Premises given on operating lease:

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between 11 months to 5 years and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable in respect of non-cancellable leases at the Balance Sheet date is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
For a period not later than one year	99.48	91.08
For a period later than one year and not later than five years	417.88	-
For a period later than five years	-	-

(iii) Fair value

Particulars	As at March 31, 2021			As at March 31, 2020
	Land	Building	Total	Building
Investment Properties	4070.47	5,359.54	9,430.01	4,994.74

Significant Estimates:

Estimation of fair value

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.

The fair valuation of investment properties has been determined by accredited independent valuers. The main inputs used are the prevailing market rates and recent sale of similar properties, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

6 Intangible assets

	Computer Software
Gross carrying amount	
Balance as at April 01, 2019	448.74
Additions	40.03
Disposals	-
Balance as at March 31, 2020	488.77
Additions	20.93
Disposals	-
Balance as at March 31, 2021	509.70
Accumulated amortisation	
Balance as at April 01, 2019	202.54
Additions	75.56
Disposals	-
Balance as at March 31, 2020	278.10
Additions	69.18
Disposals	-
Balance as at March 31, 2021	347.28
Net carrying amount	
Balance as at March 31, 2020	210.67
Balance as at March 31, 2021	162.42

7 Non-current Investments

	As at March 31, 2021		As at March 31, 2020	
	No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
A	<u>Investment in Equity Instruments</u>			
	Quoted			
	At Fair value through Other Comprehensive Income			
	Shoppers Stop Limited (Equity Shares of ₹ 5 each)	221,024 475.20	326,112	630.86
	Aditya Birla Capital Limited (Equity Shares of ₹ 10 each)	138 0.16	138	0.06
	Grasim Industries Limited (Equity Shares of ₹ 10 each)	99 1.44	99	0.47
	Aditya Birla Fashion and Retail Limited (Equity Shares of ₹ 10 each)	343 0.69	343	0.53
	Hindalco Industries Limited (Equity Shares of ₹ 1 each)	830 2.71	830	0.79
	Coramandel International Limited (Equity Shares of ₹ 10 each)	108 0.84	108	0.59
	Exide Industries Limited (Equity Shares of ₹ 10 each)	7 0.01	7	0.01
	Indraprastha Medical Limited (Equity Shares of ₹ 10 each)	5,000 2.69	5,000	1.70
	Karur Vysya Bank Limited (Equity Shares of ₹ 2 each)	32,733 18.23	32,733	6.63
	Maan Alluminium Limited (Equity Shares of ₹ 10 each)	500 0.77	500	0.14
	Spentex Industries Limited (Equity Shares of ₹ 10 each)	54 *	54	*
	Total (A)	502.74		641.78
B	<u>Investment in Non Convertible Debentures (NCD)</u>			
	Unquoted			
	At amortised cost			
	11.80 % I L & F S Transportation Networks Limited (Bonds of ₹ 100 each)	30 305.62	30	305.62
	Less: Impairment Loss	(305.62)		(305.62)
	Total (B)	-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

7 Non-current Investments

	As at March 31, 2021		As at March 31, 2020	
	No. of shares / NCD / units	Amount	No. of shares / NCD / units	Amount
C				
<u>Investment in Venture capital funds</u>				
Unquoted				
At Fair value through Profit and Loss @				
Faering Capital India Evolving Fund II (Units of ₹ 1000/- each)	75,120	943.61	68,070	653.69
Paragon Partners Growth Fund – I (Units of ₹ 100/- each)	455,818	683.73	444,290	562.20
Tata Capital Healthcare Fund (Units @ ₹ 1 /- each)	20,000,000	44.00	20,000,000	144.61
Tata Capital Growth Fund (Units @ ₹ 1 /- each)	20,000,000	98.00	20,000,000	106.15
Faering Capital India Evolving Fund (Units of ₹ 1000/- each)	38,886	728.76	50,087	554.74
Total (C)		2,498.10		2,021.39
Total (A+B+C)		3,000.84		2,663.17
Aggregate amount of quoted investments		502.74		641.78
Aggregate Market Value of the quoted investments		502.74		641.78
Aggregate amount of unquoted investments		2,803.72		2,327.01
Aggregate amount of impairment in the value of investment		305.62		305.62

Note:

* Amount is below the rounding off norms adopted by the Group.

@ Investment in venture capital funds have been fair valued at closing Net Asset Value (NAV) / Fair Market Value (FMV)

Refer Note 44 for information about fair value measurement of investments and Note 37(ii)(b) for Investment Commitments related to Venture Capital funds.

8 Non-current loans

	As at March 31, 2021	As at March 31, 2020
Security Deposits	1,189.00	997.10
Less: Allowance for doubtful deposits	(42.00)	(42.00)
Total	1,147.00	955.10
Note: Break-up of security details		
Loans considered good - unsecured	1,147.00	955.10
Loans - credit impaired	42.00	42.00
Total	1,189.00	997.10
Less: Allowance for doubtful deposits	(42.00)	(42.00)
Total Non-current loans	1,147.00	955.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

9 Other non-current financial assets

	As at March 31, 2021	As at March 31, 2020
Term deposits with banks	1.00	1.01
Less: Interest accrued (included in Note 17)	-	(0.01)
Total	1.00	1.00

10 Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Capital advances	23.01	21.19
Prepaid expenses	1.05	6.30
Balances with government authorities - GST Input credit	430.01	-
Balances with government authorities (including deposits) - Others	54.85	156.90
Advance for factory construction and commercial work	146.09	149.10
Total	655.01	333.49

11 Inventories

	As at March 31, 2021	As at March 31, 2020
(The mode of valuation of inventories has been stated in Note 2(i))		
Raw Materials [Includes Raw Material - In Transit ₹ 31.29 Lakhs, (As at March 31, 2020 ₹ Nil)]	1,905.22	2,227.40
Work-in-progress	106.08	240.67
Finished goods	4,936.90	5,517.19
Stock-in-trade	608.53	708.33
Stores and Spares	135.87	129.11
Total	7,692.60	8,822.70

Inventory writedowns are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-downs of inventories amounted to ₹ 200.36 Lakhs for the year ended March 31, 2021 (₹ 42.49 Lakhs for year ended March 31, 2020). These writedowns were recognised as an expense and included in 'Cost of material consumed', 'changes in inventories of finished goods, stock-in-trade and work-in-progress', and 'consumption of stores and spares' in the Statement of Profit and Loss.

The management has carried out an assessment of carrying value of the inventories and basis such assessment which includes nature, condition, margins and liquidation plan, no further provision, over and above those already provided, is considered necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

12 Current investments

	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
<u>Investments in Mutual Funds</u>				
Unquoted				
At Fair value through Profit and Loss				
HDFC Ultra Short Term - Regular Growth (Units of ₹ 10/- each)	5,235,756	620.23	1,466,053	164.28
HDFC Ultra Short Term Fund (Units of ₹ 10/- each)	3,930	0.40	3,722	0.37
Total		620.63		164.65
Aggregate amount of unquoted investments		620.63		164.65

Refer Note 44 for information about fair value measurement of investments.

13 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Receivables from related parties (Refer Note 43)	371.00	315.87
Others	1,821.31	1,833.30
Less: Loss allowances	(398.60)	(398.60)
Total	1,793.71	1,750.57
Note: Break-up of security details		
Trade receivables considered good - unsecured	1,793.71	1,750.57
Trade receivables - credit impaired	398.60	398.60
Total	2,192.31	2,149.17
Less: Loss allowances	(398.60)	(398.60)
Total Trade Receivables	1,793.71	1,750.57

Refer Note 45 for information about credit risk and market risk of trade receivables.

14 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	2.66	1.73
Balances with Banks		
- In current accounts	1,707.61	1,923.91
- In EEFC accounts	12.89	0.13
Total	1,723.16	1,925.77

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2021 and previous year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

15 Bank Balances other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Margin money deposits*	1.79	2.46
Term deposits with Banks	33.19	263.24
Less: Interest accrued (included in Note 17)	(0.19)	(0.30)
	34.79	265.40
Unclaimed dividends - Earmarked balances with banks	10.14	11.83
Total	44.93	277.23

* Deposit of ₹ 1.79 Lakhs (March 31, 2020 ₹ 2.46 Lakhs) given as security against Banker's letters of guarantees.

16 Current loans

	As at March 31, 2021	As at March 31, 2020
Security Deposits	143.16	857.97
Loans to related parties (Refer Note 43)	1,225.02	1,320.19
Loans to employees	54.52	67.69
Less: Allowance for doubtful loans	(9.81)	(9.81)
Total	1,412.89	2,236.04
Note: Break-up of security details		
Loans considered good - Unsecured	1,412.89	2,236.04
Loans - credit impaired	9.81	9.81
Total	1,422.70	2,245.85
Less: Allowance for doubtful loans	(9.81)	(9.81)
Total Current loans	1,412.89	2,236.04

17 Other current financial assets

	As at March 31, 2021	As at March 31, 2020
Interest accrued	4.63	0.31
Derivative financial instruments	25.31	25.38
Receivable on account of sale of subsidiary	39.87	563.05
Others	60.85	12.69
Total	130.66	601.43

18 Other current assets

	As at March 31, 2021	As at March 31, 2020
Export Benefits receivables	219.66	246.38
Excess Contribution to gratuity fund (Refer Note 39)	15.30	-
Interest subsidy receivable	-	28.21
Advances to Suppliers	32.12	63.70
Prepaid expenses	58.28	82.94
Balances with government authorities - GST Input credit receivable/refundable	1,804.18	2,055.17
Right to recover returned goods	31.00	31.00
Other advances	29.95	41.59
Total	2,190.49	2,548.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

19 Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised 3,40,00,000 [March 31, 2020: 3,40,00,000] Equity Shares of ₹ 10 each	3,400.00	3,400.00
Issued, subscribed and fully paid up 2,47,59,531 [March 31, 2020: 2,24,77,677] Equity Shares of ₹ 10 each	2,475.95	2,247.77
	2,475.95	2,247.77

Notes: a) Reconciliation of number of shares:	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
	Equity Shares :			
Balance as at the beginning of the year	22,477,677	2,247.77	21,294,596	2,129.46
Issued during the year #	2,281,854	228.18	1,183,081	118.31
Balance as at the end of the year	24,759,531	2,475.95	22,477,677	2,247.77

b) Rights, preferences and restrictions attached to shares:

Equity shares: The Group has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by each shareholder holding more than 5% shares in the Company:	As at March 31, 2021		As at March 31, 2020	
	%	No. of shares	%	No. of shares
Mohammed Yusuf Noorani ** # \$	21.11	5,225,931	23.25	5,225,931
Asia Tangible Investments Pte Ltd.	12.74	3,154,882	14.04	3,154,882
Euro Global Holdings Pte. Ltd.	12.74	3,154,882	14.04	3,154,882
Akash Bhanshali	5.50	1,361,700	6.06	1,361,700
Pari Washington Company Pvt. Ltd. A/C Pari Washington India Master Fund, Ltd.	-	-	8.76	1,969,153
Anees Yusuf Noorani #	11.71	2,899,899	7.83	1,758,972
Salman Yusuf Noorani #	10.83	2,681,344	6.85	1,540,417
** Includes shares held by Mr. Mohammed Yusuf Noorani \$				
a) as Trustee for and on behalf of Yusuf Noorani Family Trust		18,990		18,990
b) as Trustee for and on behalf of Anees Yusuf Noorani Family Benefit Trust		8,334		8,334

During the year the Company has allotted 22,81,854 equity shares of ₹ 10 each at a premium of ₹ 99.56 per equity share on preferential basis to the following promoters of the Company. Further, during the financial year 2019-20, the Company has allotted 1,183,081 equity shares of ₹ 10 each at a premium of ₹ 159.05 per equity share pursuant to conversion of equivalent number of warrants allotted to the following promoters of the Company during the year 2018-19.

	Year Ended March 31, 2021	Year Ended March 31, 2020
Mohammed Yusuf Noorani \$	-	394,361
Anees Yusuf Noorani	1,140,927	394,360
Salman Yusuf Noorani	1,140,927	394,360

\$ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his will is in progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

20 Other Equity

	Money received against Share Warrants	Reserves and Surplus						Other Comprehensive Income (OCI)			Total	
		Securities Premium Reserve	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	Cash Flow Hedging Reserve		Foreign Currency Translation Reserve
Balance as at April 01, 2019	1,500.00	5,519.01	8.16	15.84	200.00	17.98	2,693.15	15,771.32	2,172.46	43.40	324.89	28,266.21
Loss for the year	-	-	-	-	-	-	-	(2,896.54)	-	-	-	(2,896.54)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(76.35)	(1,003.00)	(42.48)	285.02	(794.33)
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	-	(42.48)	-	(42.48)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(2,972.89)	(1,003.00)	(42.48)	285.02	(3,733.35)
Adjustment on adoption of Ind AS 116 (net of deferred tax ` 384.13 Lakhs) (Refer Note 47)	-	-	-	-	-	-	-	(996.66)	-	-	-	(996.66)
Transactions with owners in their capacity as owners:												
Share Application Money received	500.00	-	-	-	-	-	-	-	-	-	-	500.00
Allotment of Equity Shares (including Securities Premium)	(2,000.00)	-	-	-	-	-	-	-	-	-	-	(2,000.00)
Premium Received on Issue of Equity Shares	-	1,881.69	-	-	-	-	-	(212.95)	-	-	-	1,881.69
Dividends	-	-	-	-	-	-	-	707.82	(707.82)	-	-	(212.95)
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	-	-	-	(43.40)	-	-
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	-	-	-	(43.40)
Balance as at March 31, 2020	-	7,400.70	8.16	15.84	200.00	17.98	2,693.15	12,296.64	461.64	(42.48)	609.91	23,661.54
Loss for the year	-	-	-	-	-	-	-	(2,938.18)	-	-	-	(2,938.18)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	73.49	39.90	12.14	(26.55)	86.84
Changes in the fair value of hedging instrument (net of deferred tax)	-	-	-	-	-	-	-	-	-	12.14	-	12.14
Reclassification to Statement of Profit and Loss (net of deferred tax)	-	-	-	-	-	-	-	-	-	42.48	-	42.48
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(2,864.69)	39.90	54.62	(26.55)	(2,796.72)
Transactions with owners in their capacity as owners:												
Premium Received on Issue of Equity Shares	-	2,271.82	-	-	-	-	-	-	-	-	-	2,271.82
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	-	-	-	-	-	-	185.18	(185.18)	-	-	-
Balance as at March 31, 2020	-	9,672.52	8.16	15.84	200.00	17.98	2,693.15	9,617.13	316.36	12.14	583.36	23,136.64

Purpose of Significant Reserves:

Securities Premium

Securities premium is used to record the premium on issue of shares, which is to be utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital reserve created during redemption of Preference Shares and it is a non-distributable reserve, which is to be utilised in accordance with provision of the Act.

Statutory Reserve

Statutory Reserve is created by allocating 10% of the net profit of the subsidiary - Zodiac Clothing Company (U.A.E.) LLC as required by Article 103 of the UAE Commercial Companies Law No. 2 of 2015 concerning commercial companies in the UAE. The subsidiary discontinued such annual transfers as this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

General Reserve

The general reserve is a free reserve, retained from Group's profits. The reserves can be utilised as per the provisions of the Companies Act, 2013.

FVOCI - Equity Instruments

The Group has elected to recognise changes in the fair value of investments in certain equity securities as other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are sold.

Cash Flow Hedging Reserve

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve with equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

21 Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
Secured		
Term loan from a bank	-	80.42
Unsecured		
Guaranteed Emergency Credit Line (GECL)	832.00	-
Loan from Directors (Refer Note 43)	-	1,686.75
Total Non-current borrowings	832.00	1,767.17
Less: Current maturities of long term debt (included in Note 24)	(18.56)	(79.67)
Less: Interest accrued but not due on borrowings (included in Note 24)	-	(15.88)
Total Non-current borrowings (as per Balance Sheet)	813.44	1,671.62

Refer Note 45 for liquidity risk

Notes:

(a) Nature of Security and terms of repayment for secured term loan from a bank:

- (i) The loan carries an interest rate ranging from 7.25% to 10.75% p.a.
- (ii) The loan is fully repaid in the month of December 2020.
- (iii) The charge created has been satisfied during the year.
- (iv) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 36.

(b) Details of terms of repayment for unsecured loans from directors:

- (i) The loan is fully repaid in the month of March 2021.
- (ii) The loan carried an interest rate of 8% p.a. (March 31, 2020: 8% p.a.)

(c) Details of terms of repayment for unsecured Guaranteed Emergency Credit Line:

- (i) The loan carries an interest rate ranging from 8.25% to 9.25% p.a.
- (ii) The loan is repayable in 36 equated monthly instalments starting from the 13th month of their respective drawdown dates.

22 Current Borrowings

	As at March 31, 2021	As at March 31, 2020
From banks (Working Capital Loans):		
Secured		
In Indian Rupees		
- Rupee Packing Credit (RPC) *	1,769.39	4,309.82
- Bank Overdraft	1,795.82	-
Total Current borrowings	3,565.21	4,309.82
Less: Interest accrued but not due on borrowings (included in Note 24)	(4.63)	(11.20)
Total Current borrowings (as per Balance Sheet)	3,560.58	4,298.62

Nature of Security and terms of repayment:

Current borrowings are secured against hypothecation of all current assets of the Company.

RPC is repayable within 180 days. Rate of interest 4.25% p.a. (March 31, 2020 6.25% p.a. to 6.30% p.a)

Bank Overdraft carries rate of interest ranging from 9.10% p.a. to 9.50% p.a.

Refer Note 45 for liquidity risk

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 36.

Net debt reconciliation	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	1,723.16	1,925.77
Current Borrowings	(3,565.21)	(4,309.82)
Non Current Borrowings	(832.00)	(1,767.17)
Lease liabilities	(4,592.58)	(8,153.23)
Net debt	(7,266.63)	(12,304.45)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including current maturities of long term debt and interest accrued)	Current borrowings (Including interest accrued)	Total
Net Debt as at April 01, 2019	1,178.06	-	(293.17)	(6,099.39)	(5,214.50)
Recognised on adoption of Ind AS 116 (Refer Note 47)	-	(12,312.50)	-	-	(12,312.50)
Cash flows	747.71	2,213.03	(1,460.80)	1,778.07	3,278.01
Acquisitions - Leases	-	(859.32)	-	-	(859.32)
Termination - Leases	-	2,805.56	-	-	2,805.56
Interest expense	-	(939.57)	(47.77)	(318.70)	(1,306.04)
Interest paid	-	939.57	34.57	330.20	1,304.34
Net Debt as at March 31, 2020	1,925.77	(8,153.23)	(1,767.17)	(4,309.82)	(12,304.45)
Cash flows	(202.61)	77.46	919.29	738.04	1,532.18
Acquisitions - Leases	-	(342.50)	-	-	(342.50)
Termination - Leases	-	2,673.49	-	-	2,673.49
Covid-19 Related Rent Concession	-	1,152.20	-	-	1,152.20
Interest expense	-	(477.68)	(145.73)	(260.00)	(883.41)
Interest paid	-	477.68	161.61	266.57	905.86
Net Debt as at March 31, 2021	1,723.16	(4,592.58)	(832.00)	(3,565.21)	(7,266.63)

23 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro and small enterprises [Refer Note below]	54.18	37.94
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer Note 43]	278.41	404.67
- others	1,998.03	1,812.82
Total	2,330.62	2,255.43

Refer Note 45 for information about liquidity risk and market risk of trade payables.

Notes:

The Group has certain dues to suppliers under Micro, small and Medium enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows:

	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	52.03	33.50
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.15	4.44
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	31.79	21.48
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	11.19	19.71
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	2.15	4.44
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

24 Other financial liabilities

Other non-current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Security deposits	22.83	-
Total	22.83	-

Other current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt (Refer Note 21)	18.56	79.67
Interest accrued but not due on borrowings	4.63	27.08
Unclaimed dividends [Refer Note below]	10.14	11.83
Derivative financial instruments	-	135.21
Security deposits	-	263.21
Capital Creditors	107.14	149.67
Book Overdrawn Balance	8.04	-
Other payables	3.79	3.52
Total	152.30	670.19

Notes:

There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

25 Provisions

Non-current Provisions	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Staff end of service gratuity	4.86	0.66
- Others	0.26	-
Total	5.12	0.66
Current Provisions	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Compensated absences (Refer Note 39)	87.70	122.15
- Gratuity (Refer Note 39)	-	13.55
- Staff end of service gratuity	1.32	4.54
- Others	0.26	0.25
Total	89.28	140.49

26 Other liabilities

Other non-current liabilities	As at March 31, 2021	As at March 31, 2020
Contract liabilities - advance rent	10.56	-
Other liabilities	25.65	-
Total	36.21	-
Other current liabilities	As at March 31, 2021	As at March 31, 2020
Contract liabilities - advance from customers	26.55	70.57
Contract liabilities - advance rent	92.80	-
Statutory dues payable	90.59	160.95
Employee benefits payable	460.74	632.28
Refund liabilities	62.00	62.00
Deferred Rent Income	9.82	5.92
Total	742.50	931.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

27 Revenue from Operations

	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from contracts with customers		
- Sale of Products	9,627.23	18,475.77
- Sale of Services	63.87	119.16
Other operating revenue		
- Export Incentives	314.04	479.35
- Process waste sale	4.70	8.14
Total	10,009.84	19,082.42

There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2021 and March 31, 2020.

	Year Ended March 31, 2021	Year Ended March 31, 2020
Reconciliation of revenue from contracts with customers recognised with contract price:		
Contract price	9,990.32	18,921.16
Adjustments for:		
- Discounts and Rebates	(76.53)	(238.10)
- Sales returns	(222.69)	(88.13)
Revenue from contract with customers	9,691.10	18,594.93

28 Other income

	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income		
- unwinding of discount on security deposit	77.66	106.73
- income tax refunds	10.88	-
- others	8.10	11.60
Dividend Income		
- financial assets measured at fair value through profit or loss	9.76	53.57
- financial assets measured at fair value through Other Comprehensive Income	0.04	3.67
Rent income	140.15	386.13
Net gain on fair value / sale of financial assets measured at fair value through profit or loss *	554.23	218.57
Net gain / (loss) on foreign currency transactions and translation	27.22	91.62
Covid-19 related Rent Concessions	1,152.20	-
Gain on termination / remeasurement of lease contracts	614.75	172.84
Miscellaneous income	145.67	169.06
Total	2,740.66	1,213.79

* Includes unrealised fair value gain / (loss) of ₹ 527.56 Lakhs, (₹ 102.68 Lakhs for year ended March 31, 2020)

29 Cost of materials consumed

	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw and packing materials at the beginning of the year	2,227.40	2,638.58
Purchases	3,069.51	6,528.71
Less: Sale of Raw and packing materials	(7.54)	(25.76)
Less: Raw and packing materials at the end of the year	(1,905.22)	(2,227.40)
Total	3,384.15	6,914.13

30 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening inventories		
Finished goods	5,517.19	4,838.61
Stock-in-trade	708.33	818.06
Work-in-progress	240.67	347.47
	6,466.19	6,004.14
Closing inventories		
Finished goods	4,936.90	5,517.19
Stock-in-trade	608.53	708.33
Work-in-progress	106.08	240.67
	5,651.51	6,466.19
Others	-	8.64
Total	814.68	(453.41)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

31 Employee benefits expense

	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, wages, bonus etc.	3,442.36	4,851.36
Contribution to provident and other funds (Refer Note 39)	284.71	420.01
Gratuity Expenses (Refer Note 39)	90.39	66.25
Staff welfare expenses	45.48	87.36
Total	3,862.94	5,424.98

32 Finance costs

	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest expense on:		
- Term Loans	145.73	47.77
- Current Borrowings	260.00	318.70
- Lease Payments	477.68	939.57
- Others	20.30	33.71
Exchange differences regarded as an adjustment to borrowing costs	-	45.90
Total	903.71	1,385.65

33 Depreciation and amortization expense

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on property, plant and equipment	782.24	1,041.78
Depreciation on Right-of-use assets	1,471.15	2,413.04
Depreciation on investment property	15.94	15.44
Amortization on intangible assets	69.18	75.56
Total	2,338.51	3,545.82

34 Other expenses

	Year Ended March 31, 2021	Year Ended March 31, 2020
Consumption of stores and spares	97.24	180.32
Power and fuel	173.83	252.80
Job Work Charges	61.95	210.15
Insurance	117.87	118.45
Repairs to buildings	56.19	51.56
Repairs to machinery	7.75	10.93
Repairs and Maintenance - Others	190.32	275.77
Rent	551.65	353.91
Electricity Expenses	163.67	345.92
Retail store maintenance expenses	371.97	644.31
Rates and Taxes	96.82	108.87
Advertisement and sales promotion	182.38	888.39
Commission to selling agents	398.37	523.36
Freight and forwarding	579.92	644.92
Trade Mark Fees	31.86	92.80
Legal and Professional Expenses	288.03	321.61
Travelling and Conveyance	98.48	349.98
Director Fees	23.60	18.40
Donations	19.12	18.09
Expenditure incurred for Corporate Social Responsibility	32.00	46.50
Allowance for doubtful debts, loans, advances and deposits etc. (net)	-	13.47
Bad debts, loans, advances and deposits etc. written off	266.14	84.86
Less: Allowances there against	-	(13.47)
	266.14	71.39
Net Loss on sale/discard of property, plant and equipment	192.16	36.80
Bank Charges	81.70	155.00
Security Charges	94.46	126.91
Miscellaneous Expenses	109.03	246.25
Total	4,286.51	6,106.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

35 Income Taxes

i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Current tax		
Expense for the year	113.30	110.80
Total current tax (A)	113.30	110.80
Deferred tax		
Deferred tax credit	(147.61)	(243.75)
Total deferred tax credit (B)	(147.61)	(243.75)
Total tax expense for the year (C) = (A + B)	(34.31)	(132.95)
Tax in respect of earlier years (D)	(3.77)	24.98
Total tax expense/(credit) (C + D)	(38.08)	(107.97)

ii) A reconciliation of the income tax expenses to the amount computed

	Year Ended March 31, 2021	Year Ended March 31, 2020
Loss before tax	(2,976.26)	(3,004.51)
Enacted income tax rate in India	27.82%	27.82%
Tax expenses at enacted income tax rate	(828.00)	(835.85)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	20.38	21.34
Income exempted from Income taxes	-	(15.92)
Additional deduction for House Property Income under Income Tax	(11.11)	(30.18)
Additional Deferred tax on undistributed profits of subsidiaries	0.89	203.86
Differential tax rate in respect of income from capital gains	-	(2.22)
Differential due to indexation on Investment Properties	(51.65)	(34.54)
Deferred tax assets not recognised on business losses	591.84	571.04
Foreign Entities with no tax / differential tax	8.77	4.22
Deferred tax assets not recognised on unabsorbed depreciation	235.45	-
Others	(0.88)	(14.70)
Total Tax Expenses	(34.31)	(132.95)

iii) Tax Assets

	As at March 31, 2021	As at March 31, 2020
Non-Current Tax Assets (net of provision of ₹ 4,094.19 Lakhs (As at March 31, 2020 ₹ 5,649.45 Lakhs))	1,050.47	1,324.86
Current Tax Assets (net of provision of ₹ 321.81 Lakhs (As at March 31, 2020 ₹ Nil))	234.56	-
Total	1,285.03	1,324.86

iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2021:

	As at April 01, 2019	Credit in Retained Earnings	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2020	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2021
Deferred tax assets (net)								
Provision for employee benefits	32.69	-	0.93	-	33.62	(9.87)	-	23.75
Provision for doubtful debts and advances	125.30	-	-	-	125.30	-	-	125.30
Property, plant and equipment and intangible assets	(614.43)	-	76.72	-	(537.71)	41.08	-	(496.63)
Lease Liabilities and Right-of-use assets	-	384.13	(100.85)	-	283.28	(78.87)	-	204.41
Unabsorbed Depreciation	1,293.31	-	273.31	-	1,566.62	(1.70)	-	1,564.92
Business Losses	-	-	-	-	-	292.06	-	292.06
Others	(28.72)	16.09	87.50	25.91	100.78	(207.50)	(42.21)	(148.93)
Total	808.15	400.22	337.61	25.91	1,571.89	35.20	(42.21)	1,564.88
Deferred tax liabilities								
Undistributed reserves of subsidiaries	(559.46)	-	(93.86)	-	(653.32)	112.41	-	(540.91)
Total	(559.46)	-	(93.86)	-	(653.32)	112.41	-	(540.91)

Significant Estimates: Based on the future business plans and the underlying assumptions such as fair value of immovable properties, as also assessed by an external registered valuer, the company has estimated that the future taxable income will be sufficient to absorb carried forward unabsorbed depreciation, which management believes is probable, accordingly the Group has recognised deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward unabsorbed depreciation and business losses as detailed below has not been considered for recognition of deferred tax asset. Further, deferred tax asset on business losses has been recognised to the extent of deferred tax liabilities.

Assessment Year (A.Y.)	As at March 31, 2021	Loss Carried forward for upto A.Y.	As at March 31, 2021	Loss Carried forward for upto A.Y.
2016 - 17	79.78	2024 - 25	1,193.95	} No Expiry
2017 - 18	1,064.52	2025 - 26	1,224.55	
2018 - 19	1,890.73	2026 - 27	1,166.48	
2019 - 20	515.46	2027 - 28	1,056.32	
2020 - 21	2,052.63	2028 - 29	983.87	
2021 - 22	3,089.85	2029 - 30	846.34	
Less - Deferred tax recognised	(1,049.82)		(5,625.16)	
Unrecognised Amount	7,643.15		6,471.51	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

36 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(excludes balances of Subsidiaries since not pledged)

	As at March 31, 2021	As at March 31, 2020
Floating Charge		
Current Assets		
Financial Assets		
- Investments	620.63	164.65
- Trade receivables *	1,303.14	1,282.41
- Cash and cash equivalents	91.36	546.31
- Bank Balances other than cash and cash equivalents #	33.00	48.87
- Loans	174.71	901.29
- Others financial assets	85.49	5.67
	2,308.33	2,949.20
Non Financial Assets		
- Inventories	7,692.60	8,821.91
- Other current assets	2,156.73	2,509.70
	9,849.33	11,331.61
Total Current assets	12,157.66	14,280.81
Fixed Charge		
Non Current Assets		
- Plant and Equipments	-	734.22
Total non-current assets	-	734.22
Total assets	12,157.66	15,015.03

* Trade Receivables represent receivables excluding related parties trade receivables.

Excludes Unclaimed dividends - Earmarked balances with banks.

37 Contingent liabilities, Contingent assets and commitments (to the extent not provided for)

	As at March 31, 2021	As at March 31, 2020
i Contingent Liabilities		
Claims against the Group not acknowledged as debts in respect of:		
Income Tax matters (including TDS matters)	1,352.10	1,352.10
Sales Tax matters	99.38	192.57
Others matters	1.29	1.29

The amounts shown in respect of above items represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent upon the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decision pending with various forums/authorities. The Group does not expect any reimbursements in respect of above contingent liabilities.

Significant Estimates: The Group has litigations in respect of certain Income tax matters. The management does assessment of all outstanding matters and wherever required further obtains legal advice including those relating to interpretation of law. Based on such assessment, it concludes whether a provision should be recognised or a disclosure should be made.

	As at March 31, 2021	As at March 31, 2020
ii Commitments		
(a) Capital Commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	25.71	71.13
Less: Capital advances (Refer Note 10)	(23.01)	(21.19)
Net Capital commitments	2.70	49.94
(b) Investment Commitments related to Venture Capital funds		
Investment Commitments related to Venture Capital funds	35.93	416.83
Investment commitment: contribution is to be made on "as needed" basis pursuant to drawdown notices issued by the respective funds over commitment period.		
Mirage Marketing Company LLP (MMLP) vide Deed of Adherence (DOA) dated October 31, 2020 and January 30, 2021 executed in favour of Faering Capital India Evolving Fund II and the Company, has acquired Investment Commitment of class A units of Faering Capital India Evolving Fund amounting to ₹ 298.80 Lakhs from the Group and pursuant to which the Company is no longer committed for investment commitment to the extent of ₹ 298.80 lakhs.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

38 Earnings per share

		Year ended March 31, 2021	Year ended March 31, 2020
Basic & Diluted			
Loss for the year (₹ In Lakhs)	(A)	(2,938.18)	(2,896.54)
Weighted average number of equity shares outstanding	(B)	22,527,690	22,112,409
Basic and Diluted Earnings Per Share (₹)	(A / B)	(13.04)	(13.10)
Nominal value per equity shares (in ₹)		10	10

39 Post retirement benefit plans

I. Defined Benefit Plan - Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of ₹ 20 Lakhs (Previous Year ₹ 20 Lakhs). The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

As per Actuarial Valuation as on March 31, 2021 and March 31, 2020, amounts recognised in the Standalone financial statements in respect of Employee Benefits Scheme:

A. Amount recognised in the Balance Sheet

	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	981.30	1,129.11
Fair value of plan assets	(996.60)	(1,115.56)
(Net plan surplus) / Net plan liability	(15.30)	13.55

B. Movement in plan assets and liabilities

	Year ended March 31, 2021			Year ended March 31, 2020		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
As at April 01	1,115.56	1,129.11	(13.55)	1,116.25	1,004.79	111.46
Current service cost	-	89.57	(89.57)	-	74.71	(74.71)
Interest cost	-	68.20	(68.20)	-	76.26	(76.26)
Interest income	67.38	-	67.38	84.72	-	84.72
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	(7.96)	7.96
Actuarial (gain)/loss arising from changes in financial assumptions	-	(27.96)	27.96	-	113.29	(113.29)
Actuarial (gain)/loss arising from experience adjustments	-	(44.22)	44.22	-	(34.80)	34.80
Return on plan assets excluding actual return of plan assets	1.31	-	1.31	(5.82)	-	(5.82)
Employer contributions	45.75	-	45.75	17.59	-	17.59
Benefit payments	(233.40)	(233.40)	-	(97.18)	(97.18)	-
As at March 31	996.60	981.30	15.30	1,115.56	1,129.11	(13.55)

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2021	As at March 31, 2020
Active members	1,174	1,805
Retired Members	19	35
The weighted average duration of the defined benefit obligations	8 years	9 years
Expected contribution to the Fund	48.96	103.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

C. Statement of Profit and Loss

	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefits Expense:		
Current service cost	89.57	74.71
Net Interest expense/(income)	0.82	(8.46)
Amount recognised in Statement of Profit and Loss	90.39	66.25
Remeasurements of the net defined benefits liability:		
Actuarial (gain)/losses arising from changes in demographic assumptions	-	(7.96)
Actuarial (gains)/losses arising from changes in financial assumptions	(27.96)	113.29
Experience (gains)/losses	(44.22)	(34.80)
Return on plan assets excluding actual return on plan assets	(1.31)	5.82
Amount recognised in Other Comprehensive Income	(73.49)	76.35

D. Assets

	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Insurer managed Fund	996.60	1,115.56
Total	996.60	1,115.56

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions	As at March 31, 2021	As at March 31, 2020
	Discount rate	6.44%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	6.44%	6.04%
Attrition Rate	For service period 5 years and below 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.	For service period 5 years and below 11.00% p.a. For service period of 5 years and above 1.00% p.a.

* Taking into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2021		As at March 31, 2020	
		Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(63.72)	72.89	(75.73)	86.94
Salary Escalation Rate	1%	69.97	(62.73)	84.35	(74.95)
Attrition Rate	1%	7.56	(8.53)	5.58	(6.44)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

G. The defined benefit obligations shall mature after the end of reporting period is as follows:

	As at March 31, 2021	As at March 31, 2020
1st Following Year	106.28	114.19
2nd Following Year	82.67	91.65
3rd Following Year	80.78	102.79
4th Following Year	111.42	95.42
5th Following Year	85.95	118.77
Sum of Years 6 to 10	441.49	489.88
Thereafter	812.64	923.68

H. Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.

II. Compensated absences

The compensated absences obligations for employees in India cover the Group's liability for leave which is actuarially valued at each year end by applying the assumptions referred in 'E' above.

The amount of the provision of ₹ 87.70 lakhs (as at March 31, 2020: ₹ 122.15 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement of these obligations.

III. Details of Defined Contribution Plan

The Group also has certain defined contribution plans. Contributions are made to provident and other funds in India for employees as per regulations. The contributions are made to registered provident fund, ESIC, etc. which are administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan are ₹ 284.71 lakhs (Previous year ₹ 420.01 lakhs) in the Statement of Profit and Loss.

40 Interest in Other entities

The Consolidated Financial Statements present the Consolidated Accounts of Zodiac Clothing Company Limited with its following Subsidiary and step down subsidiaries:

Name of the Subsidiary and step down subsidiaries:	Country of Incorporation	Proportion of Ownership of Interest	
		As at March 31, 2021	As at March 31, 2020
a) Zodiac Clothing Co. S.A.	Switzerland	100%	100%
b) Zodiac Clothing Co. (UAE) LLC.	UAE **	100%	100%
c) Zodiac Clothing Bangladesh Limited	Bangladesh	100%	100%

** The shareholders of this subsidiary are Mrs. Muna Mahmood Mohd. Mahmoud (51%) and M/s. Zodiac Clothing Co S.A. (49%). As per the mutual agreement between the shareholders, Mrs. Muna Mahmood Mohd. Mahmoud is holding 51% shares for and on behalf of M/s. Zodiac Clothing Co S.A. who is the beneficial owner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

41 For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities	2019-20							
	Net Assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit/(Loss)	Amount	As a % of consolidated Profit/(Loss)	Amount	As a % of consolidated Profit/(Loss)	Amount
Parent:								
- Indian Parent:	86.84%	22,499.61	73.63%	(2,132.79)	137.02%	(1,146.59)	87.84%	(3,279.38)
Subsidiary / step-down subsidiaries:								
- Foreign								
Zodiac Clothing Co. S.A.	3.28%	848.63	-20.62%	597.25	0.00%	-	-16.00%	597.25
Zodiac Clothing Co. (UAE) LLC.	12.98%	3,363.91	0.25%	(7.22)	-2.96%	24.76	-0.47%	17.54
Zodiac Clothing Bangladesh Limited	0.67%	172.47	0.09%	(2.75)	0.00%	-	0.07%	(2.75)
Intercompany Elimination & Consolidation Adjustments								
Total		(975.31)		(1,351.03)		285.02		(1,066.01)
Non Controlling Interest in subsidiaries		25,909.31		(2,896.54)		(836.81)		(3,733.35)
Grand Total		25,909.31		(2,896.54)		(836.81)		(3,733.35)

Name of the Entities	2020-21							
	Net Assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit/(Loss)	Amount	As a % of consolidated Profit/(Loss)	Amount	As a % of consolidated Profit/(Loss)	Amount
Parent:								
- Indian Parent:	89.02%	22,801.52	81.37%	(2,390.86)	136.27%	192.77	78.60%	(2,198.09)
Subsidiary / step-down subsidiaries:								
- Foreign								
Zodiac Clothing Co. S.A.	3.53%	904.38	-23.60%	693.50	0%	-	-24.30%	693.50
Zodiac Clothing Co. (UAE) LLC.	10.19%	2,609.81	-1.40%	41.14	0%	-	1.47%	41.14
Zodiac Clothing Bangladesh Limited	0.64%	163.46	0.23%	(6.73)	0%	-	0.24%	(6.73)
Intercompany Elimination & Consolidation Adjustments								
Total		(866.58)		(1,275.23)		(51.31)		(1,326.54)
Non Controlling Interest in subsidiaries		25,612.59		(2,938.18)		141.46		(2,796.72)
Grand Total		25,612.59		(2,938.18)		141.46		(2,796.72)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

42 Segment Information:

Business Segment

Identification of Segments:

The chief operational decision maker (Managing Director) monitors the operating results of its Business segment separately for the purpose of making decision 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, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

(i) The Group's business operations falls within a single primary business segment of "Clothing and Clothing Accessories". Accordingly, the Group operation is a single segment in terms of its products.

(ii) Entity wide disclosure

(a) Information about product and services - The Company's product category i.e., Clothing and Clothing Accessories.

(b) Information in respect of geographical area -

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue *	3,351.82	9,311.25	6,658.02	9,771.17	10,009.84	19,082.42
Carrying cost of segment Non Current assets**@	16,505.96	20,851.00	435.65	315.05	16,941.61	21,166.05

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and deferred tax asset.

(c) Information about major customer - Revenues of approximately ₹ 1,625.44 Lakhs (Previous year ₹ 2,152.85 Lakhs) were derived from a single external customer.

43 Related Party Disclosures under IND AS 24

1. Relationships:

(a) Key Management Personnel:

Mr. M. Y. Noorani	Non Executive Director (till November 20, 2019)
Mr. A. Y. Noorani	Non Executive Director
Mr. S. Y. Noorani	Managing Director
Mr. M. L. Apte	Independent Director (till August 11, 2019)
Mr. V. M. Apte	Independent Director (w.e.f. August 13, 2019)
Mr. Y. P. Trivedi	Independent Director
Mr. S. R. Iyer	Independent Director
Mr. Bernhard Steinruecke	Independent Director
Ms. Elizabeth Jane Hulse	Independent Director
Mr. Naushad Forbes	Independent Director

(b) Relatives of key management personnel with whom the transactions have taken place:

Mr. Awais A. Noorani	Son of Mr. A. Y. Noorani
Mr. Musaad A. Noorani	Son of Mr. A. Y. Noorani
Mrs. Muna A. Noorani	Wife of Mr. A. Y. Noorani
Mrs. Zehra S. Noorani	Wife of Mr. S. Y. Noorani
Mrs. Saniyya A. Noorani	Daughter of Mr. A. Y. Noorani

(c) Enterprises over which key management personnel and / or their relatives are able to exercise significant influence and with whom transactions have taken place:

Zodiac Metropolitan Clothing Gmbh	Germany
Metropolitan Trading Company	India
Montage Corporation	India
Munraz Enterprises	India
Mustang Manufacturing Company	India
Mashal Enterprises	India
Onward LLC	UAE
Miraj Marketing Company LLP	India
Zodiac UAE LLC	UAE
Asia Tangible Investments Pte Ltd.	Singapore
Euro Global Holdings Pte. Ltd.	Singapore

(d) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme

§ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his will is in progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties							
	Referred in I(a) above		Referred in I(b) above		Referred in I(c) above		Referred in I(d) above	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers								
Sale of Goods	-	-	-	-	1,643.80	2,208.72	-	-
Other Income	-	-	-	-	9.00	9.00	-	-
Rent	-	-	47.21	50.09	-	-	-	-
Employees benefit expenses*								
Interest Expense	137.53	29.43	-	-	-	-	-	-
Other Expenses								
Rent	9.92	43.20	-	-	154.14	247.02	-	-
Commission to selling agents	-	-	-	-	195.47	354.80	-	-
Director Fees	23.60	18.40	-	-	31.86	92.80	-	-
Trade Mark Fees	-	-	-	-	1.51	0.39	-	-
Miscellaneous Expenses	-	-	-	-	-	-	-	-
Others								
Reimbursement of Expenses from	-	-	-	-	12.21	5.99	-	-
Reimbursement of Expenses to	-	-	-	-	7.33	7.42	-	-
Gratuity Fund contribution								
Loan to related parties	-	-	-	-	-	-	45.75	17.59
Loan given	-	-	-	-	-	-	-	-
Loan repaid back	-	-	-	-	95.18	315.12	-	-
Loan Received	262.65	1,671.62	-	-	-	-	-	-
Loan Repaid	1,934.27	-	-	-	-	-	-	-
Share Application Money Received (including securities premium)	2,500.00	500.00	-	-	-	-	-	-
Dividend Paid	-	79.45	-	0.01	-	-	-	63.10

* This aforesaid amount does not include amount in respect of gratuity and compensated absences as the same is not determinable on individual basis and hence considered for disclosure on payment basis.

3. Balances with related parties referred in 1 above, in ordinary course of business:

Nature of transactions	Related Parties					
	Referred in I(a) above		Referred in I(c) above		Referred in I(d) above	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Outstandings:						
Non-current borrowings	-	1,671.62	-	-	-	-
Trade Payables	1.72	3.68	276.69	400.99	-	-
Other Current Liabilities						
- Employee benefits payable	79.14	178.19	-	-	-	-
- Contract Liabilities - Advance from customers	-	-	-	10.07	-	-
Other Current Financial Liabilities						
- Interest accrued but not due	-	15.13	-	-	-	-
Loans (Security Deposit given)	22.50	22.50	127.50	177.50	-	-
Loans to related parties	-	-	1,225.02	1,320.20	-	-
Trade Receivables	-	-	371.00	315.87	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

4	Disclosure in respect of material transactions with related parties during the year (included in 2 above)	Year ended March 31, 2021	Year ended March 31, 2020
	Revenue from contracts with customers: - Zodiac Metropolitan Clothing Gmbh	1,625.44	2,152.85
	Other Income: Rent - Metropolitan Trading Company	9.00	9.00
	Expenses: Employees benefit expenses - Mr. Awais A. Noorani	47.21	50.09
	Interest expense - Mr. M. Y. Noorani	6.36	3.22
	- Mr. A. Y. Noorani	73.04	15.32
	- Mr. S. Y. Noorani	58.13	10.89
	Rent - Metropolitan Trading Company	130.32	218.58
	Commission to selling agents - Zodiac Metropolitan Clothing Gmbh	195.47	354.80
	Director Fees (including service tax) - Mr. M. L. Apte	-	-
	- Mr. V. M. Apte	5.80	4.20
	- Mr. Y. P. Trivedi	5.90	5.90
	- Mr. S. R. Iyer	6.30	6.30
	- Mr. Bernhard Steunruecke	2.40	0.50
	Trade Mark Fees - Metropolitan Trading Company	31.86	92.80
	Miscellaneous Expenses - Zodiac UAE Ajman LLC	1.51	0.39
	Others Reimbursement of Expenses from - Mashal Enterprises	12.21	5.99
	Reimbursement of Expenses to - Metropolitan Trading Company	2.60	2.58
	- Munraz Enterprises	4.67	4.73
	Paid to Trust - Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	45.75	17.59
	Loan to related parties: Loan given - Onward LLC	-	69.73
	- Zodiac Metropolitan Clothing Gmbh	-	245.39
	Loan repaid back - Onward LLC	74.31	-
	- Zodiac Metropolitan Clothing Gmbh	20.87	-
	Loan Received - Mr. M. Y. Noorani	-	100.00
	- Mr. A. Y. Noorani	72.05	908.09
	- Mr. S. Y. Noorani	190.60	663.53
	Loan Repaid - Mr. M. Y. Noorani	100.00	-
	- Mr. A. Y. Noorani	980.14	-
	- Mr. S. Y. Noorani	854.13	-
	Share Application Money Received (including securities premium) - Mr. M. Y. Noorani	-	166.66
	- Mr. A. Y. Noorani	1,250.00	166.67
	- Mr. S. Y. Noorani	1,250.00	166.67
	Dividend Paid - Asia Tangible Investments Pte. Ltd.	-	31.55
	- Euro Global Holding Pte. Ltd.	-	31.55
	- Mr. M. Y. Noorani	-	48.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

43 Related Party Disclosures under IND AS 24 (Contd....)

5. Disclosure in respect of material Outstanding balances with related parties as at year end (included in 3 above)	As at March 31, 2021	As at March 31, 2020
Outstandings:		
Non-current borrowings		
- Mr. M. Y. Noorani	-	100.00
- Mr. A. Y. Noorani	-	908.09
- Mr. S. Y. Noorani	-	663.53
Trade Payables		
- Zodiac Metropolitan Clothing Gmbh	268.90	378.28
- Metropolitan Trading Company	7.79	16.81
- Mr. M. Y. Noorani - Payable for Rent	-	0.40
- Mr. A. Y. Noorani - Payable for Rent	0.86	1.64
- Mr. S. Y. Noorani - Payable for Rent	0.86	1.64
Other Current Liabilities - Employee benefits payable		
- Mr. S. Y. Noorani - Remuneration	79.14	178.19
Other Current Financial Liabilities - Interest accrued but not due		
- Mr. M. Y. Noorani	-	0.90
- Mr. A. Y. Noorani	-	8.49
- Mr. S. Y. Noorani	-	5.74
Security Deposit		
- Metropolitan Trading Company	115.00	165.00
- Munraz Enterprises	10.00	10.00
- Mustang Manufacturing company	2.50	2.50
- Mr. M. Y. Noorani	-	3.60
- Mr. A. Y. Noorani	11.25	9.45
- Mr. S. Y. Noorani	11.25	9.45
Loans to related parties		
- Onward LLC	427.56	501.87
- Zodiac Metropolitan Clothing Gmbh	797.46	818.33
Trade Receivables		
- Zodiac Metropolitan Clothing Gmbh	368.42	315.87
Contract Liabilities - Advance from customers		
- Mashal Enterprises	-	10.07

Terms and Conditions:

Transactions were done in ordinary course of business and on normal terms and conditions.

Outstanding balances are unsecured and repayable in cash.

Refer Note 37 (ii) (b) in respect of transfer of investment commitment by the Group to related party.

44 Fair Value Measurement:

(i) Financial Instrument by category and hierarchy.

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

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

1. Fair value of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans (security deposits) were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.

The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2021	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
Financial Assets											
Investments											
- Equity instruments	502.74	-	502.74	-	-	-	-	-	-	502.74	502.74
- Mutual funds	-	620.63	620.63	620.63	-	-	-	-	-	-	620.63
- Venture capital fund	2,498.10	-	2,498.10	-	2,498.10	-	-	-	-	-	2,498.10
	3,000.84	620.63	3,621.47	620.63	-	2,498.10	-	502.74	-	502.74	3,621.47
Other Assets											
- Loans to Employees	-	44.71	44.71	-	-	-	-	-	-	-	44.71
- Security Deposits	1,147.00	143.16	1,290.16	-	-	-	-	-	-	-	1,290.16
- Derivative financial instruments	-	25.31	25.31	-	8.59	-	-	-	16.72	-	25.31
- Loans to related parties	-	1,225.02	1,225.02	-	-	-	-	-	-	-	1,225.02
- Other Financial Assets	1.00	105.35	106.35	-	-	-	-	-	-	-	106.35
- Trade receivable	-	1,793.71	1,793.71	-	-	-	-	-	-	-	1,793.71
- Cash and Cash equivalents	-	1,723.16	1,723.16	-	-	-	-	-	-	-	1,723.16
- Bank Balances other than cash and cash equivalents	-	44.93	44.93	-	-	-	-	-	-	-	44.93
	1,148.00	5,105.35	6,253.35	-	8.59	-	-	16.72	-	16.72	6,253.35
Financial Liabilities											
- Borrowings	813.44	3,560.58	4,374.02	-	-	-	-	-	-	-	4,374.02
- Other Financial Liabilities	22.83	152.30	175.13	-	-	-	-	-	-	-	175.13
- Trade Payables	-	2,330.62	2,330.62	-	-	-	-	-	-	-	2,330.62
	836.27	6,043.50	6,879.77	-	-	-	-	-	-	-	6,879.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2020	Non Current	Current	Total	Fair Value through Profit and Loss			Fair Value through OCI			Carried at amortised cost	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2		
Financial Assets											
Investments											
- Equity instruments	641.78	-	641.78	-	-	-	-	641.78	-	641.78	641.78
- Mutual funds	-	164.65	164.65	164.65	-	-	-	-	-	-	164.65
- Venture capital fund	2,021.39	-	2,021.39	-	2,021.39	-	-	-	-	-	2,021.39
	2,663.17	164.65	2,827.82	164.65	2,021.39	2,186.04	641.78	641.78	-	641.78	2,827.82
Other Assets											
- Loans to Employees	-	57.88	57.88	-	-	-	-	-	-	-	57.88
- Security Deposits	955.10	857.97	1,813.07	-	-	-	-	-	-	-	1,813.07
- Derivative financial instruments	-	25.38	25.38	-	0.62	0.62	-	24.76	-	24.76	25.38
- Loans to related parties	-	1,320.19	1,320.19	-	-	-	-	-	-	-	1,320.19
- Other Financial Assets	1.00	576.05	577.05	-	-	-	-	-	-	-	577.05
- Trade receivable	-	1,750.57	1,750.57	-	-	-	-	-	-	-	1,750.57
- Cash and Cash equivalents	-	1,925.77	1,925.77	-	-	-	-	-	-	-	1,925.77
- Bank Balances other than cash and cash equivalents	-	277.23	277.23	-	-	-	-	-	-	-	277.23
	956.10	6,791.04	7,747.14	-	0.62	0.62	-	24.76	-	24.76	7,747.14
Financial Liabilities											
- Borrowings	1,671.62	4,298.62	5,970.24	-	-	-	-	-	-	-	5,970.24
- Derivative financial instruments	-	135.21	135.21	-	42.06	42.06	-	93.15	-	93.15	135.21
- Other Financial Liabilities	-	534.98	534.98	-	-	-	-	-	-	-	534.98
- Trade Payables	-	2,255.43	2,255.43	-	-	-	-	-	-	-	2,255.43
	1,671.62	7,224.24	8,895.86	-	42.06	42.06	-	93.15	-	93.15	8,895.86

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date
- net asset value ('NAV') / fair market value ('FMV') are determined based on audited financial statements / valuation reports / NAV / FMV provided by fund manager
- the fair value of remaining financial instrument is determined using discounted cash flow analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

	Venture Capital Fund*
As at April 01, 2019	1,845.69
Acquisitions	182.87
Disposal	(179.37)
Gain recognised in statement of profit and loss	172.20
As at March 31, 2020	2,021.39
Acquisitions	82.10
Disposal	(126.69)
Gain recognised in statement of profit and loss	521.30
As at March 31, 2021	2,498.10

*The Group has invested in following funds and these funds have been further invested into various companies.

1. Faering Capital India Evolving Fund
2. Paragon Partners Growth Fund - I
3. Faering Capital India Evolving Fund II
4. Tata Capital Growth Fund
5. Tata Capital Healthcare Fund

The Group has considered fair market values based on audited financial statement and/or valuation reports and/or NAV / FMV statements provided by venture capital fund.

Investment commitment in respect of venture capital funds are on "as needed" basis and will be at face value.

[Refer Note 37(ii)(b).]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

45 Financial Risk Management:

Financial risk management objectives and policies

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Management.

(A) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, future committed transactions, foreign currency receivables, payables, borrowings etc.

The Group manages market risk through its finance department (headed by CFO), which evaluates and exercises independent control over the entire process of market risk management. The finance department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, option contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio, which could vary on either side based on current interest rates scenario.

According to the Group interest rate risk exposure is only for floating rate borrowings. 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.

Exposure to interest rate risk

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings	4,392.58	6,049.91
% of Borrowings out of above bearing variable rate of interest	81.06%	71.05%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2020-2021	2019-2020
50 bp increase- increase in loss *	17.80	21.49
50 bp decrease- decrease in loss *	(17.80)	(21.49)

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

Market Risk- Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales, purchases etc. in various foreign currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts and option contracts to hedge exposure to foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign Currency in Lakhs)

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	19.63	-	45.97	0.17
Forward Contracts EURO	7.34	-	5.27	-
Forward Contracts GBP	6.89	-	10.25	-
Forward Contracts CHF	-	-	0.07	-
Option Contract USD	2.57	-	-	-

Derivative financial instruments such as foreign exchange forward and option contracts are used for hedging purposes and not as trading or speculative instruments. The Group designates these hedging instruments as cash flow hedges to hedge foreign currency risk in cash flow from firm commitment (sales order/purchase orders).

(b) Particulars of unhedged foreign currency exposures as at the reporting date

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2021				As at March 31, 2020	
	USD	EURO	GBP	HKD	USD	EURO
Trade payables	3.35	** 0.00	0.02	0.02	2.01	0.13

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020	
	USD	EURO	GBP	CHF	CAD
Trade Receivables	3.46	0.37	1.24	0.03	-

** Amount is below the rounding off norms adopted by the Group.

Foreign Currency Risk Sensitivity

A change of 5% in Foreign currency would have following Impact on loss before tax

Particulars	2020-21		2019-20	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(0.41)	0.41	7.58	(7.58)
EURO	(1.59)	1.59	0.54	(0.54)
GBP	(6.18)	6.18	-	-
HKD	0.01	(0.01)	-	-
CHF	-	-	(0.12)	0.12
CAD	-	-	-	-
Increase / (decrease) in loss	(8.17)	8.17	8.00	(8.00)

Market Risk- Price Risk

(a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of portfolio is done in accordance with limits set by the Group.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the BSE index on the Group's equity and other comprehensive income for the year arising from portfolio of investment in equity shares of listed companies. The analysis is based on the assumption that the index has increased by 10 % or decreased by 10 % with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Impact on other comprehensive income	
	March 31, 2021	March 31, 2020
BSE Sensex 30- Increase 10%	50.27	64.18
BSE Sensex 30- Decrease 10%	(50.27)	(64.18)

Above referred sensitivity pertains to quoted equity investment (Refer Note 8). Other Comprehensive Income for the year would increase/ (decrease) as a result of gains/losses on equity securities as at fair value through Other Comprehensive Income.

(B) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from trade receivables, cash and cash equivalents, deposit with banks, derivative financial instruments, investments, loan to employee and security deposits. The Group manages and analyses the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered.

Credit risk on cash and cash equivalents, deposit with banks, derivative financial instruments and investment is limited as Group generally deals with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual and accredited venture fund.

While loans in the form of security deposits and loan to related party and loan to employees are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

(i) Credit risk management:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Sale to retail customers are required to be settled in cash or using major cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors or regions.

In respect of sales to export customers (including sales done by subsidiary), there are no past history of losses, thus the identified expected credit loss was immaterial.

Credit risk for domestic trade receivable is managed by the Group through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Group grants credit terms in the normal course of business.

Loss allowance for expected credit losses

The Group provides for expected credit loss on domestic trade receivables for indian operations under simplified approach

As at March 31, 2021

Ageing	Total
Gross carrying amount	659.23
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	260.63

As at March 31, 2020

Ageing	Total
Gross carrying amount	572.69
Expected Credit loss - measured at life -time expected credit loss	398.60
Carrying amount of trade receivables (net of impairment)	174.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation of loss allowance – Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	398.60	398.60
Add:- Additional provision made	-	13.47
Less:- Provision write off/ reversed	-	-
Less:- Provision utilised against bad debts	-	(13.47)
Closing provisions	398.60	398.60

No Significant changes in estimation techniques or assumptions were made during the year.

Significant estimates and judgements:**Impairment of financial assets**

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

(C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group's finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating Rate		
Expiring within one year (Current Borrowing facilities)	939.42	2,201.38
Expiring beyond one year (bank loans)	-	-

The bank loan facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the non-continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

ii) Maturity patterns of borrowings

Particulars	As at March 31, 2021				As at March 31, 2020			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Non current borrowings (Including current maturity of long term debt)	18.56	813.44	-	832.00	79.67	1,671.62	-	1,751.29
Current borrowings	3,560.58	-	-	3,560.58	4,298.62	-	-	4,298.62
Total	3,579.14	813.44	-	4,392.58	4,378.29	1,671.62	-	6,049.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Maturity patterns of other Financial Liabilities - other than borrowings

As at March 31, 2021	0-3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	1,515.39	815.23	-	-	2,330.62
Lease Liabilities	532.79	319.23	651.18	3,089.38	4,592.58
Other Financial Liabilities	123.60	-	10.14	22.83	156.57
Total	2,171.78	1,134.46	661.32	3,112.21	7,079.77

As at March 31, 2020	0-3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	859.43	1,396.00	-	-	2,255.43
Lease Liabilities	496.72	675.72	1,361.50	5,619.29	8,153.23
Other Financial Liabilities	315.48	255.74	19.30	-	590.52
Total	1,671.63	2,327.46	1,380.80	5,619.29	10,999.18

45 Financial risk management (contd.)

Impact of Hedging Activities

(a) Disclosure of effects of hedge accounting on financial position:

Cash flow hedge of Foreign exchange risk as at March 31, 2021:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	1,543.82	14.08	1:1	14.08	14.08
Foreign currency options	188.83	2.64	1:1	2.64	2.64

Cash flow hedge of Foreign exchange risk as at March 31, 2020:

Particulars	Nominal value	Carrying amount of hedging instrument	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as a basis for recognising hedge effectiveness
Foreign exchange forward contracts - SELL	3,514.67	(68.39)	1:1	(68.39)	(68.39)

(b) Disclosure of effects of hedge accounting on financial performance:

Cash flow hedge March 31, 2021

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	14.08	-	68.39	Revenue
Foreign exchange risk - Options contracts	2.64	-	-	Revenue
	16.72	-	68.39	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

Cash flow hedge March 31, 2020

Particulars	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to segment profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	(68.39)	-	(59.50)	Revenue
Foreign exchange risk	-	-	0.01	Purchase
	(68.39)	-	(59.49)	

Amount in bracket represents expense/ loss

* The foreign exchange forward contracts and option contract are denominated in the same currency as the firm commitment (sales order/purchase orders), therefore the hedge ratio is 1:1.

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of hedging instrument match exactly with the terms of the hedged items, and so a qualitative assessment of effectiveness is performed.

45 Financial Risk Management (contd.)

Movements in cash flow hedging reserve

Derivative Instrument	Foreign exchange forward contracts - SELL	Foreign exchange forward contracts - BUY	Foreign exchange options	Total
Balance – As at April 01, 2019	43.41	(0.01)	**	43.40
Change in fair value of foreign exchange forward contract	(68.39)	-	-	(68.39)
Amount reclassified to profit or loss	(59.50)	0.01	-	(59.49)
Deferred tax relating to the above (net)	42.00	**	**	42.00
Balance – As at March 31, 2020	(42.48)	-	-	(42.48)
Change in fair value of foreign exchange forward contract	14.08	-	-	14.08
Change in intrinsic value of foreign currency options	-	-	2.64	2.64
Amount reclassified to profit or loss	68.39	-	-	68.39
Deferred tax relating to the above (net)	(29.77)	-	(0.72)	(30.49)
Balance – As at March 31, 2021	10.22	-	1.92	12.14

** Amount is below the rounding off norms adopted by the Group.

Amount in bracket represents expense/ loss

46 Capital Management

(a) Risk Management

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group's management monitors the return on capital as well as the level of dividends to shareholders.

(b) Dividend

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares		
Final dividend for the year ended March 31, 2020 of ₹ Nil (March 31, 2019 – ₹ 1) per fully paid share	-	212.95
Dividend distribution tax payable of ₹ Nil (Previous Year ₹ 36.85 lakhs) on final dividend is fully set-off against the tax payable by the Company on dividend received from Zodiac Clothing Company S. A. as per the provisions of section 115-O and 115BO of Income Tax Act, 1961.		

47 Ind AS 116 - Leases

During the previous year the Group has adopted Ind AS 116 retrospectively from April 01, 2019, as permitted under the specific provisions in the standard.

Impact of Ind AS 116 on retained earnings

Particulars		Amount
Right of use assets (Net of reclassification (Prepaid Rent Expenses and Leasehold land))	(A)	10,830.21
Lease liabilities (Net of reclassification of Trade Payables- Accrued Rent)	(B)	12,211.00
Impact on retained earnings as on April 01, 2019 (before tax)	(C) = (A - B)	(1,380.79)
Deferred tax assets (net)	(D)	384.13
Net Impact on retained earnings on April 01, 2019	(C) - (D)	(996.66)

48 Impact of COVID-19

The Central/State Government authorities had imposed various restrictions to control the spread of Covid 19 pandemic during the year and consequently, the low market demand had affected the Group's operations for the year ended March 31, 2021. However, the Group had taken various steps including cost reduction measures, bringing in operational synergies etc. to ensure sufficient liquidity for the Group's operations.

Towards the end of the current year, the second wave of Covid-19 pandemic hit the country and has once again resulted in disruption of business as State government authorities had announced partial/complete lockdown. With easing of certain restrictions in June 2021 by State government authorities, the Management expects demand to revive.

The Group's Management has done an assessment of the situation (including the liquidity position after taking into consideration continuing cost reduction measures, available investments, surplus funds with the Group, undrawn bank facilities etc.), and carrying value of all its assets and liabilities as at March 31, 2021, and concluded that there are no material adjustments required in the consolidated financial statements as at March 31, 2021. However, the impact assessment due to COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Group will continue to monitor any material changes as the situation evolves.

49 The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, the date on which the Code will come into effect has not yet been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in ₹ Lakhs, unless otherwise stated)

50 The Group has incorporated wholly owned step- down subsidiary Zodiac Clothing Company Inc. in United States of America effective May 11, 2021.

51 These consolidated financial statements were authorised for issue by the directors on June 30, 2021.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sachin Parekh

Partner

Membership No. 107038

Mumbai

June 30, 2021

For and on behalf of the Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai

June 30, 2021

S. Y. NOORANI

Vice Chairman and Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary