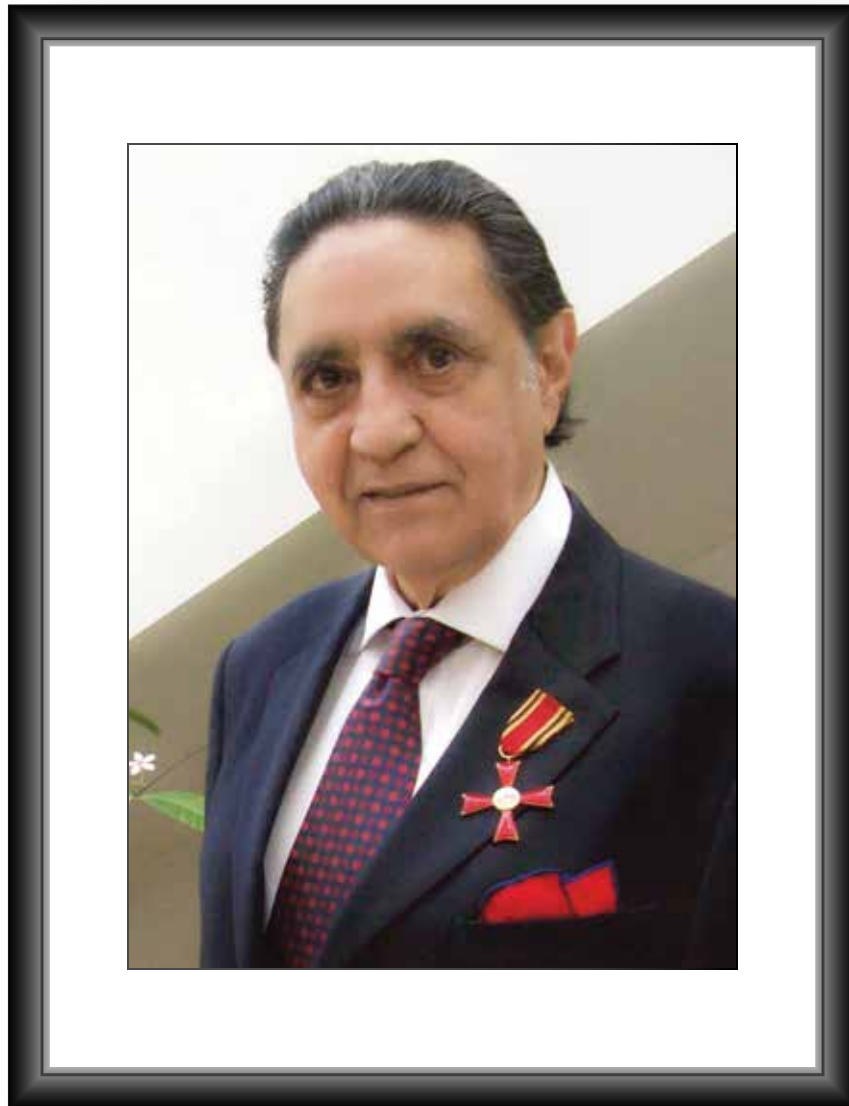


ZODIAC CLOTHING COMPANY LTD.
38th ANNUAL REPORT 2021-2022



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 Limited
(Formerly known as 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

Bank of Maharashtra
Apeejay House,
D V Gandhi Marg,
Fort Mumbai - 400 001

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, Ergo Technology & Services Private 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 and Central Bank Executors and Trustee Company Limited. He is currently the Chairman of Sai Service Private Ltd. and Director of Emami Limited and 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, Forbes Marshall Technology 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



The disruption caused by the pandemic in the last few years, seems on the one hand to be diminishing, but before the world fully emerged from the instability, fresh challenges have arisen. The measures taken globally to combat the crisis have led to excess liquidity and pent up demand, causing galloping inflation in most countries. The Russia -Ukraine crisis is also adding to instability & inflation and the developing China property crisis will further aggravate things. Supply Chain issues having been creating havoc in terms of cost & transit time.

Despite the global headwinds, India has been able to buck the trend somewhat, due to consumption demand & the local economy turning resilient, though the export markets are starting to weaken. One hopes to see the

domestic economy filling the gap for the internationally weak scenario.

Due to the events of the last several years, commencing with the global financial crisis, followed by the Eurozone debt crises, Brexit Pangs, the pandemic, Ukraine crises and China property crash, an evolving de-globalisation is underway.”Country First” policies, trade sanctions and protectionism display countries moves to aspire to become more self reliant. This inevitably causes production inefficiencies by the shift from each country doing what it does best, to each country doing everything, resulting in rising prices & undoing the competitive advantage that different countries possess, besides impacting the global flow of capital. The rising emphasis on ESG, though laudable in the long term,

also adds to cost in the short/medium term.

According to the IMF and several distinguished economists, India's prospects will be brighter than most major economies and will be driven by the expected improvement in credit growth, investment generation and consumption. The expectation is that India may become the World's third largest economy in terms of consumption by 2025. Our country's underlying fundamentals are strong, hence the long term impact of the difficulties will be marginal.

The Government has, through its policy initiatives and schemes, besides phenomenal infrastructure spending, chosen a judicious route to bolster the economy. The impact of this will start becoming palpable in 2023, with its multiplier effect on jobs/income/high productivity and efficiency leading to acceleration of growth.

The Company is poised to harness this potential by having strengthened itself during the crises, having put in place strict cost control measures, technology in production and processes, rationalising the supply chain to the extent possible, all of which should contribute handsomely to the bottomline, aided further by the asset light model and the growth prospects of the online business widening the company's consumer base geographically.

How consumption and discretionary spends play out, particularly in India, will ultimately determine the extent of the improvement in performance. The pent up demand and savings by consumers during the pandemic are also contributing to improvement in discretionary spending and to healing the scars of the pandemic.

The Company's exports are stabilising post pandemic relaxations, although one has to wait and watch the scenario unfolding in the major markets. The EU/UK/American continent and West Asia, which are the Company's markets, will each have to overcome their respective issues.

The industry has to work in tandem with the Government to achieve greater heights. The few remaining glitches in GST with regard to malfunction of portals for refund of input credits incurred for exports and continuing lack of clarity in the refund of inverted duty rate, are causing MSME's severe hardships due to huge blockage of working capital.

The Company's new stores (which have almost fully replaced stores shut down due to pandemic / viability issues) are gaining ground and show prospects of having a shorter than normal gestation. The MBO channel is showing signs of revival, but will need longer to flourish. The online business is continuing to show healthy double digit growth.

The Company's newly incorporated subsidiary in the US, to cater to new customers who require the service of landed /duty paid delivery has shown satisfactory performance and holds out the possibility of increasing volumes in that part of the market.

I would like to conclude with a vote of thanks to all our constituents- stakeholders, customers, government departments, dealers, suppliers, Auditors and other business associates for their wholehearted support ,and for their contribution to the Company's business.

My grateful thanks to our Independent Directors for their valuable guidance, advise and support during the challenging times and for helping the company retain the best standards of corporate governance and best practices across industries.

My deepest appreciation and thanks to employees at all levels for their significant contribution, which has cushioned the journey throughout these challenging times.

Mumbai

12th August, 2022

A. Y. Noorani

Chairman





Regale

Limited Edition, Bespoke & Made-to-Measure

Customised fit and personalised monogramming.

Collar and Cuff styles based on personal preferences.

Two ply superfine Italian fabrics for
unparalleled softness and luxury.

Specially crafted detachable collar bones.

Genuine mother of pearl buttons.

Bespoke, made to measure, limited edition shirts,
for modern day royalty.



INSPIRED BY
Italy

Cione
ZODIAC
FINEST QUALITY CLOTHING

— www.zodiaconline.com —

HIGHLIGHTS (STANDALONE AND CONSOLIDATED)

₹ In Lakhs

Particulars	2021-22		2020-21	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operation	12823.76	12665.2	9,994.97	10,009.84
Other Income	3238.49	2671.22	3,254.49	2,740.66
Total Income	16062.25	15336.42	13,249.46	12,750.50
Less: Total expenses	14499.14	14508.57	12,356.71	12,484.54
Profit/(Loss) before finance cost, Depreciation and other exceptional item	1,563.11	827.85	892.75	265.96
Less: Finance cost	616.85	616.85	903.63	903.71
Profit/(Loss) before depreciation	946.26	211.00	(10.88)	(637.75)
Less: Depreciation	1830.02	1857.41	2,305.65	2,338.51
Profit / (Loss) before exceptional item	(883.76)	(1,646.41)	(2,316.53)	(2,976.26)
Add: Exceptional item	0	0	-	-
PROFIT / (LOSS) BEFORE TAX FOR THE YEAR	(883.76)	(1,646.41)	(2,316.53)	(2,976.26)
Tax Expense	104.35	(9.55)	74.33	(38.08)
PROFIT / (LOSS) AFTER TAX FOR THE YEAR	(988.11)	(1,636.86)	(2,390.86)	(2,938.18)
Add: Balance brought forward from the last year	7,423.04	9,617.13	9,555.23	12,296.64
Add / Less: Other Comprehensive Income / (Loss) for the year	38.19	38.19	73.49	73.49
Less: Impact of Change in accounting policy (Ind AS 116)	-	-	-	-
Add: Transfer from OCI to Retained Earnings on derecognition of Equity Instruments	-	-	185.18	185.18
Total amount available for appropriation	6,473.12	8,018.46	7,423.04	9,617.13
Appropriations:				
Dividends	-	-	-	-
Balance in Retained Earnings	6,473.12	8,018.46	7,423.04	9,617.13

DIRECTORS' REPORT

To,
The Members,
Zodiac Clothing Company Limited.

The Board of Directors are pleased to present the Company's 38th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March 2022.

1. BUSINESS:

During the financial year ended 31st March 2022, the operational revenue of the Company on a Standalone basis was ₹12,824 Lakhs vs. ₹9,995 Lakhs in the previous year. Profit/(Loss) Before Tax and before exceptional items was Rs. (884) Lakhs vs. ₹(2,317) Lakhs in the previous year, while the net Profit/(Loss) after Tax for the Financial Year ended 31st March 2022 was ₹(988) Lakhs vs. ₹(2,391) Lakhs in the previous year. The Total Comprehensive Loss for the year was ₹(408) Lakhs vs. Rs. (2,198) Lakhs in the previous year.

On a Consolidated basis the Operational revenue of the Company for the year increased to ₹12,665 Lakhs from ₹10,010 Lakhs in the previous year. The Consolidated Profit/(Loss) before Tax and before exceptional items increased to Rs. (1,646) Lakhs vs. ₹(2,977) Lakhs in the previous year, the Net Profit/(Loss) after tax being ₹(1,637) Lakhs vs. ₹(2,938) Lakhs in the previous year. The Consolidated Total Comprehensive Loss for the year was ₹(979) Lakhs vs. ₹(2,797) Lakhs in the previous year.

The year under review began with the second wave of the pandemic, where the lockdowns posed serious challenges to business, caused acute human distress & deeply impacted consumer confidence. With the humongous global vaccination drive, the wave ebbed, followed later in the year by the less severe but highly contagious next wave. With the world governments stepping up to assist in the rebound, the world emerged strongly from the fears of the pandemic & gradually moved towards recovery & growth. Given this backdrop, the company put in place business continuity plans to ensure adequate inventory of raw materials and finished goods and continued its focus on driving a recovery in sales.

In India the disruptions caused by the second wave of the pandemic on the production and supply chains has been a lot less severe, compared to the first wave. With the demand & positivity across markets globally (including India a little later) despite the multiple challenges, economic growth returned with sustained consumer demand across the board, leading in turn to a significant spike in inflation. While the initial spike in inflation was led by demand recovery on the low base, persistent disruptions in the global supply chain have caused inflationary pressures

to be more broad based, resulting in multi decade highs in inflation across most major economies. After pursuing an accommodative monetary policy, RBI has in view of the geopolitical situation & inflationary pressures, like most other central banks, commenced taking radical measures to drastically taper the hitherto unforeseen liquidity including tightening the monetary policy to rein in inflation.

As an responsible corporate citizen, the company continued with its policy of of paying wages and salaries to its staff in full and on time, so as to mitigate the impact of the second wave of the pandemic on the company's workforce.

As per the RBI, the real GDP grew by 9.2% for 21-22 and was modestly higher than the level in 2019-20. Private consumption, which is the major component of domestic demand, continues to trail the pre-pandemic level. The Government's focus on Capex incentivization, infrastructure spending, and export growth is expected to enhance production capacities/employment and consequently demand. (The IMF has pegged India's economic growth for FY2021 at 8.9%), while projecting the forecast for FY 2023 at 7.4%.

Globally the clothing industry was among the most severely impacted sectors due the pandemic as it caused severe disruption due to consumption and discretionary spending declining sharply due to lock downs globally. However India's clothing Industry continues to be poised to grow due to an improving post – pandemic economy and growing digital consumption, which make India an important market for the future, Your company also continued to be affected by the demand compression and supply chain challenges during the year. However the company continued in its efforts of cost reductions by conversion of fixed expenses into variable expenses and moving to an asset light model, aligning product mix with consumer needs and focusing on digital transformation. The industry is gradually recovering with relaxations in pandemic restrictions slowly increasing consumption. The growing trend of online shopping is helping the clothing business somewhat and increasing the customer base geographically.

China is projected to be the biggest clothing market by 2025 at USD 340B, with India projected at USD 135B, primarily driven by the potential economic growth and increasing disposable income of the world's two largest populations. However, global concerns persist about potential future Covid waves, inflation and continuance of the Russia/Ukraine conflict. As these concerns diminish, the chances of recovery and growth will rise.

The Pandemic distorted figures (calendar year) of clothing exports for 2020 were 1. China USD 132.5B, 2. Bangladesh USD 31.5B, 3. Vietnam USD 30.3B, 4. Turkey USD 15B, 5. India USD 12.2B (India fell from USD 16B in 2019/20 to USD 12.3 B in 2020/21). India still has to capture its rightful share of what China continues to cede.

The hybrid work culture provides great opportunities for segments like work- leisure to show rapid growth, your company has during the year launched products in these segments, like Z3 Polo knit Shirts, Shurtas (Kurta Shirts), Jimmies (Unisex Lounge Bottoms) & Zed Athleisure.

As sales normalise and grow therefrom, the bottom line should see significant gains with reduced costs.

2. RESULTS OF OPERATIONS

Financial Results

(₹ in Lakhs)

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Revenue from Operations (Net)	16,062	13,249	15,336	12,751
Profit/(Loss) Before Exceptional Items And Tax	(884)	(2,317)	(1,646)	(2,977)
Exceptional Item	-	-	-	-
Profit/(Loss) Before Tax	(884)	(2,317)	(1,646)	(2,977)
Provision for Taxation:				
Current tax	113	113	113	113
Deferred tax Charge/(Credit)	(23)	(35)	(135)	(148)
Tax in respect of earlier years	14	(4)	13	(4)
Profit/(loss) after taxation	(988)	(2,391)	(1,637)	(2,938)
Other Comprehensive Income	580	193	658	141
Total Comprehensive Income for the year	(408)	(2,198)	(979)	(2,797)

3. SUBSIDIARY COMPANIES

As on 31st March, 2022 the Company had one (1) subsidiary and three (3) step-down 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/step-down 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/step-down 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 companies subsidiaries/step-down subsidiaries are 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 already initiated the process of credit rating with CARE based on the audited consolidated accounts for the FY 2021-22 and the same is expected to be completed by September 2022.

6. CAPEX

The Company has incurred a Capital expenditure of ₹141.06 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, 2022 was 0.33 on a Standalone basis and 0.29 on a Consolidated basis.

The cash and bank balances/cash equivalents along with liquid investments (free reserves – on consolidated basis) were ₹1057.63 Lakhs in March 2022, as against ₹2343.79 Lakhs last year.

8. SHARE CAPITAL

During the year under review, there has been no change in the paid-up share capital of the Company.

9. DIVIDEND

The Board of Directors of your Company have not recommended any dividend for the Financial year 2021-22 (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 with the Stock Exchange(s). The report on Corporate Governance, Management Discussion and Analysis, as well as the Auditors Certificate on the compliance of Corporate Governance forms a part of the Annual Report.

11. CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and the amended 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 inter alia deals with the review and approval of Material Related Party Transactions (MRPTs) keeping in view 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 (including omnibus approvals) and wherever applicable board/members approvals are obtained. Note no. 43 of the Standalone financial statements contained disclosures on related party transactions.

Disclosure on MRPT is given in Form AOC 2 (Annexure 4) as per Section 134(3)(h) read with Section 188(2) of the Companies Act, 2013. In terms of the amended SEBI LODR, the prior approval of the members is required to be obtained every year in respect of each MRPTs. Accordingly the approval of the members is being sought in item No. 7 of the Notice of the 38th AGM.

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.

Continuing with its thrust on being energy efficient -the company has investing in the process of changing over the boilers from diesel /furnace oil to gas fired -resulting in savings of fuel and making the process more cost effective .We are also optimizing the dye process house by bringing in more fully computerised automatic equipment to do the processing which will result in a further savings in chemicals and water -the next step is investment technology to monitor steam consumption and

efficiency thereby making that next jump in our conservation efforts

We continue with our efforts to remain vigilant on the energy consumption and other fuel consumption's by tracking progress thru energy meters and also conduct energy audits to help us keep improving continuously.

we believe that conservation is a continuous effort and every day there is an opportunity to be better than the previous day -this is what helps us to live up to the stringent standards we set for ourselves .

Our Higg score speaks for itself 100/100 on the following evaluation parameters water/waste water / 90 + on energy .

(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.

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 efficiencies

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		2021-22	2020-21
a.	Foreign Exchange Earnings	7,461	6,447
b.	Foreign Exchange Outgo	2,108	1,454

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. A. Y. Noorani, Chairman and Non-Executive 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:

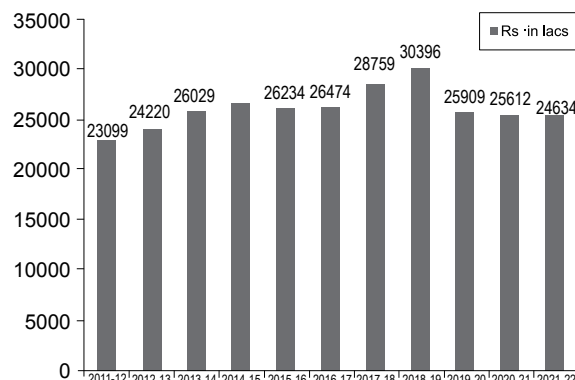
Your Directors state that:

- (i) In the preparation of the annual accounts for the year ended 31st March, 2022, 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, 2022 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:

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report other than the general global impact of ongoing conflict between Russia and Ukraine on the domestic and international business operations of the Company and impact of COVID-19 as contained in the Note no. 48 to the Financial Statements of the Company. There is no change in the nature of your Company’s business during the year under review.

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 complied with the requirements of the Companies Act 2013 and Regulation 16 (b) of SEBI LODR on their independence. 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 Rs. 2,75,000/- (Rupees Two Lakh Seventy 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

Pursuant to the provisions of Section 139 of the Companies Act and the Rules framed thereunder, M/s Price Waterhouse Chartered Accountants LLP, the existing Statutory Auditors of the Company shall be completing their five (5) year term as Statutory Auditors of the Company at the conclusion of the ensuing 38th Annual General Meeting ('AGM').

The Board of Directors has on the recommendation of the Audit committee and subject to approval by the members at the ensuing 38th AGM, appointed M/s MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) as statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 38th AGM till the conclusion of the 43rd AGM. The Proposal relating to their appointment along with requisite details forms part of the Notice convening the 38th AGM.

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:

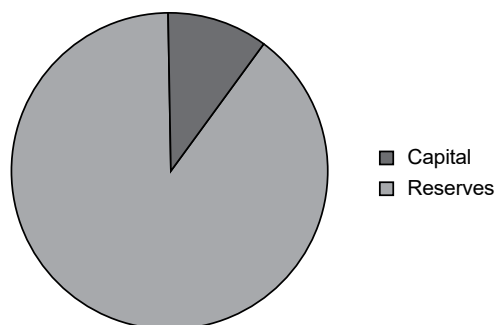
As per Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s. Robert Pavrey & Associates, Company Secretaries (CP No- 2928) to undertake the Secretarial Audit of the Company. The Secretarial Audit report is included as Annexure 2 and forms an integral part of 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 2021-22 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. ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3) (a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web-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 2013-14 have been transferred to the IEPF established by the Central Government within the stipulated time.

40. 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 2021-22:

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. 2021-22 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	-

Directors, Chief Financial Officer and Company Secretary*	% Increase in remuneration in the financial year
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 were not paid any remuneration nor sitting fees during FY 2021-22 for attending Board and Committee Meetings. The Non-Executive Directors of the Company were 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: 2.28% (as the median employee is a piece rated worker)
- d. The number of permanent employees on the rolls of Company: 1236 (as on 31st March 2022)
- 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 and the managerial personnel during the FY 2021-22.
- f. The key parameters for any variable component of remuneration availed by the Directors: During the Financial Year 2021 – 22 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, 2022 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/40 years	01-03-1994	-	10.83	Brother of Mr. A.Y. Noorani, Chairman & Non Executive Director
2	Behroze Daruwala	04-09-1950	VP – Fabrics & Merchandising	47,46,765	Permanent	B.A./ 50 years	30-05-1972	-	0.12	-
3	Imraan Surve	11-10-1968	VP-Marketing Zed, LFS & Z3	46,31,200	Permanent	B.A. (Hons.) Economics/ 30 years	18-12-2001	Contract Advertising Pvt. Ltd.	0.02	-
4	B Mahabala	07-11-1951	VP Commercial & C.F.O	46,19,164	Permanent	M.com, MBA & Diploma in Cost & Management Accountancy/49 years	15-06-1984	Vulcan Engineers Limited	0.02	-
5	Awais Noorani	07-10-1975	VP – International Sales & Sourcing	44,88,352	Permanent	B.Com, MBA from IMD Switzerland/28 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
6	Anand Pisharody	19-10-1957	VP - Manufacturing	33,09,130	Permanent	B.A./ 43 years	02-05-1986	Indian Molasses Company Limited	0.00	-
7	Rajendra Shenoy B	15-06-1965	GM Manufacturing	32,37,578	Permanent	B.Com, M. Com & L.L.B./29 years	16-10-2002	Arvind Mills Limited	0.00	-
8	Vikram Puri	29-06-1976	Senior Product Manager	31,93,324	Permanent	B.Sc Physics/26 years	07-05-2002	Cotton Club Inc.	0.00	-
9	Vishal Chadha	17-11-1964	GM – Sales MBO	30,10,811	Permanent	B.A./ 33 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/ 38 years	15-05-2014	Advani Hotels & Resorts (India) Limited	0.00	-
11	Nafees Azam	07-04-1960	GM – Sales (Retail)	27,35,380	Permanent	B.Com./ 37 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.

41. OTHER DISCLOSURES

In terms of the applicable provisions of the Act and the SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of the Company;

- it has not issued any shares with differential voting rights;
- it has not issued any sweat equity shares;
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future;
- it has not transferred any amount to the Reserves;
- it has not raised any funds through qualified institutions placement as per Regulation 32(7A) of the SEBI Listing Regulations;

- it does not engage in commodity hedging activities;
- it has not made application or no proceeding is pending under the Insolvency and Bankruptcy

Code, 2016 and

- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.

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 : 12th August, 2022

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, inspite of the Average Net profit for the purpose of computation of CSR being NIL. During the FY 2021-22 the Company has donated an Airsep Oxygen plant of the value of Rs. 53,10,605/- (Rupees Fifty Three Lakhs Ten Thousand Six Hundred and Five only) to Excellence Hospital, Rajasthan.

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
53,10,605	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	donated an Airsep Oxygen plant to Excellence Hospital, Rajasthan	Item No (i): promoting health care including preventive health care	No	Rajasthan	Sikar	53,10,605	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): ₹ 53,10,605/-

(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	53,10,605/-
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, 2022

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

To,

The Members,

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, 2022 (“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 Audit Period 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;
- (vi) Other applicable laws:
 - (a) Factories Act, 1948;
 - (b) Industries (Development and Regulation) Act, 1951;
 - (c) Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or on contractual basis;
 - (d) Competition Act, 2002
 - (e) Consumer Protection Act, 2019
 - (f) Environmental Protection Act, 1986
 - (g) The Hazardous Waste (Management & Handling and Transboundary Movement) Rules, 2008.
 - (h) Boilers Act, 1923
 - (i) Gas Cylinders Rules, 2004
 - (j) Standards of Weights & Measures (Enforcement) Act, 1985
 - (k) The Static & Mobile Pressure Vessels (Unfired) Rules, 2018
 - (l) Foreign Trade (Development & Regulation) Act, 1992
 - (m) The Legal Metrology Act, 2009
 - (n) Trademark Act, 1999

We have relied on the representations made by the Company, its officers and reports of the statutory auditors for the systems and mechanism framed by the Company for compliances under other Acts, laws and regulations applicable to the Company.

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

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.
- (e) Securities and Exchange Board of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 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.

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 and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the general meetings the number of votes cast against the resolutions has been recorded.

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

We further report that, during the Audit Period, there were no specific events which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

For ROBERT PAVREY & ASSOCIATES
Company Secretaries

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928D000368579

Place : Mumbai
Date : May 23, 2022

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.

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

For ROBERT PAVREY & ASSOCIATES

Company Secretaries

ROBERT PAVREY

Proprietor

FCS 2928 CP. No. : 1848

UDIN: F002928D000368579

Place : Mumbai

Date : May 23, 2022

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	₹ 82.25	2,50,000	69,280	3,27,138	3,27,138	-	-	(23,220)	-	(20,751)	-	100
2	Zodiac Clothing Co. (U.A.E.) LLC - U.A.E.	April to March	AED	₹ 20.68	3,00,000	1,25,75,438	13,840,864	13,840,864	3,51,862	18,55,671	(58,939)	-	(2,17,187)	-	100
3	Zodiac Clothing Bangladesh Limited - Bangladesh	April, To March	Taka	₹ 0.88	23,117,400	(26,91,001)	2,39,23,232	2,39,23,232	-	-	(9,40,755)	-	(9,40,755)	-	100
4	Zodiac Clothing Company INC - USA	April, To March	Dollar	₹ 75.91	NIL	(6,057)	4,17,377	4,17,377	-	2,93,939	(6,057)	-	(6,057)	-	NIL

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:		
a)	Name(s) of the related party and nature of relationship	NIL (All contracts or arrangements or transactions with related parties are at arm's length basis)
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis:		
a)	Name(s) of the related party and nature of relationship	Zodiac Metropolitan Clothing GMBH ("ZMC GMBH"). ZMC GMBH is a company in which Mr. S. Y. Noorani and Mrs. Muna A. Noorani w/of Mr. A. Y. Noorani indirectly holds (through a holding Company) 49% and 51% respectively of the share capital.
b)	Nature of contracts / arrangements / transactions	Exports made in European and U.K. territory.
c)	Duration of the contracts / arrangements / transactions	Recurring Transactions for a duration of five financial years commencing from financial year 2022-23 to financial year 2026-27.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per commercial terms in line with business practices and comparable with unrelated parties
e)	Date(s) of approval by the Board	The Board of Directors approved transactions with ZMC GMBH on 30 th June, 2022 and shareholders also approved these transactions in the Annual General Meeting held on 29 th September, 2021
f)	Amount paid as advances, if any	NIL

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2021 - 2022

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 2022, as per the format prescribed by SEBI and as incorporated in Regulations 17 to 27 along with 34(3) and clause (b) to (i) and (t) 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 2022, 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 2022, number of meetings held and attended during the year are as follows:-

Name of the Director	Designation	Category of Directorship	Board Meeting during the year		Attendance at last AGM	Directorships	Directorships and Category of Directorships in other Listed Entities	Committee Memberships in other Public Companies	
			Held	Attended				Member	Chairperson
Mr. Y. P. Trivedi	Non-Executive Director	Independent Director	4	4	Yes	1	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	Yes	1	BOSCH Limited-Independent Director	-	-
Dr. Naushad Darius Forbes	Non-Executive Director	Independent Director	4	2	Yes	4	Bajaj Holdings & Investment Limited-Independent Director Bajaj Finance Limited-Independent Director Bajaj Finserv Limited-Independent Director Bajaj Auto Limited-Independent Director	6	1

Name of the Director	Designation	Category of Directorship	Board Meeting during the year		Attendance at last AGM	Directorships	Directorships and Category of Directorships in other Listed Entities	Committee Memberships in other Public Companies	
			Held	Attended				Member	Chairperson
Mr. V. M. Apte	Non-Executive Director	Independent Director	4	4	Yes	-	None	-	-
Ms. Elizabeth Jane Hulse	Non-Executive Director	Independent Director	4	1	Yes	-	None	-	-
Mr. A. Y. Noorani	Chairman	Promoter & Non Executive Director	4	4	Yes	-	None	-	-
Mr. S. Y. Noorani	Vice Chairman & Managing Director	Promoter & Executive Director	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 June, 2021, 13th August, 2021, 13th November, 2021 and 11th February, 2022.

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 30th March, 2022 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, 2022
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	71,714
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.
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, 2022. 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 2021-22.

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' confirmation 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. 2021-22 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, 2022 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. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

23. 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;
 - 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 Chairman, Managing Director, CFO, Statutory Auditors and Internal Auditors as special invitees.

During the Financial Year a total of Eight (8) Audit Committee Meetings were held i.e. on 30th June, 2021, 30th July, 2021, 13th August, 2021, 18th October, 2021, 13th November, 2021, 22nd December, 2021, 11th February, 2022 and 30th March, 2022.

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	8	8
Mr. Y.P. Trivedi	Member	8	8
Mr. M.L. Apte	Member	8	8

IV. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee as on 31st March, 2022 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.
- 1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
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 30th March, 2022.

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 11th February, 2022.

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 2022

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. 2021-22 and accordingly, no remuneration has been paid/provided in the books for the F.Y. 2021-22
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 2021-22 are as under:

Name of Director	Sitting Fees paid/payable (in ₹)#	Shares held as on 31 st March, 2022
Mr. A. Y. Noorani	Nil	28,99,899
Mr. Y. P. Trivedi	6,40,000	23,875
Mr. S. R. Iyer	6,80,000	3,375
Mr. V. M. Apte	6,80,000	2,130
Mr. Bernhard Steinruecke	2,40,000	30,375
Dr. Naushad Darius Forbes	1,20,000	71,714
Ms. Elizabeth Jane Hulse	50,000	-

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, 2022 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, seventy eight 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, 2022.

During the Financial Year One (1) Stakeholders Relationship Committee Meeting was held i.e. on 10th March, 2022.

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, 2022 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 Meeting was held i.e. on 25th March, 2022.

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, 2022:

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.
4. Zodiac Clothing Company INC (USA) - Step Down Subsidiary

(The Company has incorporated in Delaware, USA on 11th May, 2021)

The Company has adopted a policy for determining 'material' subsidiaries and the policy can be accessed on your Company's website viz: https://www.zodiaconline.com/media/investorrelations_investorrelations/determining_material_%20subsidiary.pdf

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.

The Company is in compliance with the requirements of Regulations 24 of Listing Regulations with respective Corporate Governance for its subsidiary companies.

XII. Directors seeking appointment/ re-appointment

Re-appointment of Retiring Director:

Mr. A.Y. Noorani, Director retires by rotation at the ensuing 38th 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 section 188 of 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. During the year, the Company obtained shareholders approval for materially significant transactions with related party named as Zodiac Metropolitan Clothing GMBH. 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.

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 under (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
2018-2019	Monday August 5, 2019	3:00 p. m.	Nehru Center, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2019-2020	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)
2020-2021	Wednesday September 29, 2021	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:

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.

37th Annual General Meeting held on 29th September, 2021: At this meeting the following One Special Resolutions was passed:

1. Approval of material related party transaction limits with Zodiac Metropolitan Clothing GMBH.

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
Friday, 30 th September, 2022	3.00 p.m.	Audio Video Means

b) Financial Calendar 2022 - 2023 (tentative) Schedule of the Board Meetings:

First Quarter ended 30 th June, 2022	: On or before 14 th August, 2022
Second Quarter ended 30 th September, 2022	: On or before 14 th November, 2022
Third Quarter ended 31 st December, 2022	: On or before 14 th February, 2023
Fourth Quarter ended 31 st March, 2023	: On or before 30 th May, 2023

c. Dates of Book Closure:

Wednesday, 21st September, 2022 to Friday, 30th September, 2022

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 out-standing shares lying in the Unclaimed Shares Sus-pense Account as on 1 st April, 2021	9	1750
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,	0	0
v	Aggregate number of shareholders and the out-standing shares lying in the Unclaimed Shares Sus-pense Account as on 31 st March, 2022, whose vot-ing 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 2022-2023.

g. Stock Code / Symbol:

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

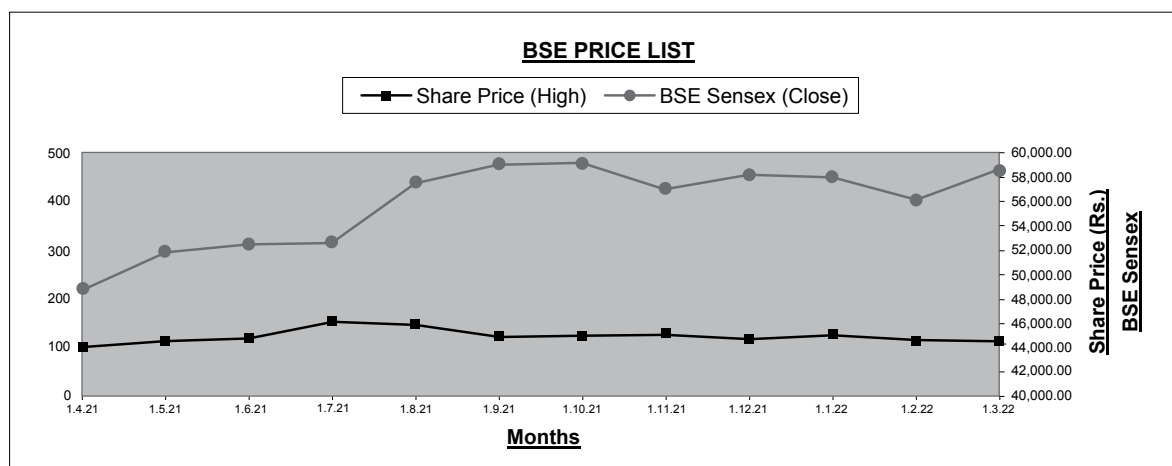
h. Market Price:

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 2021-2022 are as under:

Months	BSE Limited		NSE India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2021	99.00	85.05	98.90	86.00
May 2021	112.60	88.00	112.80	88.60
June 2021	119.60	99.00	119.50	100.70
July 2021	153.80	105.25	154.05	106.20
August 2021	146.00	100.55	146.00	100.30
September 2021	123.85	105.00	128.50	104.70
October 2021	124.05	109.35	139.00	109.30
November 2021	129.00	99.95	129.40	101.70
December 2021	117.80	100.90	118.40	99.95
January 2022	128.65	106.90	129.40	107.30
February 2022	118.70	92.40	118.90	92.65
March 2022	111.15	93.05	113.00	92.85

Performance in comparison to broad based indices:

ZODIAC vs BSE SENSEX



i. Registrar & Share Transfer Agents

KFin Technologies Limited (Formerly known as 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, 2022

ZODIAC CLOTHING COMPANY LIMITED					
Distribution of Shareholding as on 31/03/2022					
Sr.no	Category (Shares)	No.of Shareholders	Percentage (%)	No.of Shares	% To Equity
1	1 - 5000	7,905	86.95	9,23,484	3.73
2	5001 - 10000	526	5.79	4,33,954	1.75
3	10001 - 20000	274	3.01	4,25,336	1.72
4	20001 - 30000	122	1.34	3,04,924	1.23
5	30001 - 40000	61	0.67	2,21,152	0.89
6	40001 - 50000	37	0.41	1,79,629	0.73
7	50001 - 100000	80	0.88	5,86,864	2.37
8	100001 and above	86	0.95	2,16,84,188	87.58
	TOTAL:	9,091	100	2,47,59,531	100

l) Shareholding Pattern as on 31st March, 2022

Sr.no	Particulars	Total Number of Shares	Percentage of Holding
(I)	(II)	(IV)	(VI)
(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	634	0.00
(2)	NON-INSTITUTIONS	74,32,351	30.03
	TOTAL (B)	74,32,985	30.03
	GRAND TOTAL (A+B) :	2,47,59,531	100.00

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) 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 2021-22 are finalized and approved.

o) Liquidity

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

p) Plant Location

(I) Bangalore: –

1. Near Bangalore 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: –

1. A to Z Industrial Premises Co-op. Society Ltd., G.K.Marg, Lower Parel, Mumbai - 400 013

q) Address for Correspondence:

For Shares held in Physical form:

KFin Technologies Limited (Formerly known as 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 Limited (Formerly known as 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

r) 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. 36(i) to the Standalone Financial Statements.

s) 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.

t) 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 May, 2022

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, 2022 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 May, 2022

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, 2022.

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, 2022 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) 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: May 30, 2022

Membership No:107038
UDIN: 22107038AJWRFZ7300

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, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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
Dated: May 23, 2022

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928D000368535

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW:

Early in the year the second wave of the pandemic hit, where the lockdowns posed serious challenges to business, caused acute human distress, & deeply impacted consumer confidence. With the humungous global vaccination drive, the wave ebbed, followed later in the year with the less severe but highly contagious next wave. Consequently the world strongly emerged from the fears of the pandemic & gradually moved towards recovery & growth.

As a result of relaxation of pandemic related restrictions in many countries (the festive/wedding season in India was a washout due to lockdowns at that time) helped boost demand.

With the demand & positivity across markets (including India a little later) despite the multiple challenges, economic growth commenced to return, due to sustained consumer demand across the board, leading in turn to a significant spike in inflation. The geopolitical situation & inflationary pressures have clouded the future growth prospects. While the initial spike in inflation was led by demand recovery on the low base effect, persistent disruptions in the global supply chain have caused inflationary pressures to be more broad based, resulting in multi decade highs in inflation across most major economies. Most central banks are taking radical measures to drastically taper the hitherto unforeseen liquidity (that was pumped in to support respective economies during the pandemic), including tightening the monetary policy to rein in inflation.

The escalation of the Russia/Ukraine problem had an impact on energy prices (crude oil & gas) & other commodities including agricultural produce, leading to further pressure on fragile economies worldwide.

Besides the unpardonable humanitarian impact, the Russia/Ukraine war will severely check the global recovery. Global growth is projected to slow considerably from 6.1% in 2021 to 3.6 % in 2022 & 2023 and further to 3.3% in the medium term.

The highly transmissible wave of Omicron notwithstanding, India has charted a different course of recovery from the rest of the world, & is poised to grow at the fastest pace YoY among major global economies.

As per the RBI, the real GDP grew by 9.2% for 21-22 and was modestly higher than the level in 2019-20. Private consumption, which is the major component of domestic demand, continues to trail the pre-pandemic level. The Government's focus on Capex incentivization, infrastructure spending & on export growth seeks to enhance production capacities/employment & consequently demand. The IMF has pegged India's economic growth for FY 2021 at 8.9%, while projecting the forecast for FY 2023 at 7.4%.

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

The clothing business is one of the most challenging, as factors such as short product life cycle, volatility of fashion, complexity of market trends and impulse purchases are vital. Factors such as the ban on import of cotton products from China's Xinjiang province due to human rights violation caused a massive shakeup in the global textile supply chain as the region accounts for 80% of China's domestic cotton production and 20% of the world's cotton production. Cotton prices registered an unprecedented increase in 20-21. The Cotlook index rose from Circa 77 to 120 (i.e. 55%). The prices of most major fibers also rose 35-45% in 20-21. Throughout the year, the global container shortage resulted in an unrealistic rise of sea freight and very sharply increased transit time.

Ethiopia, poised to be a leading African clothing exporter, was suspended from AGOA which provided it duty free access to the U.S. Market which comprised > 70% of its Clothing Exports. Sustainability remained a key theme, with the emergence of several low impact materials and technologies and business models around circularity.

The pandemic caused severe disruption as consumption and discretionary spending declined sharply due to lockdowns globally. The industry is gradually recovering with relaxations slowly increasing consumption. Rise in demand for online shopping is helping the clothing business somewhat and increasing the customer base geographically. According to a Technopak report, by 2025, close to 20% of all clothing sold in India (projected at USD135 B) will be online.

The clothing industry still faces significant challenges amid supply-chain disruption, patchy demand and persistent pressure on the bottom line due to spike in inflation. The US continues to be the largest clothing market (17.52%), the EU (14.38%), China (12.82%) and Japan (5.32%). The other major markets are India, Brazil and Canada with the rest of the world at circa 40%. Projected global CAGR for 2019-25 is 4% due to deceleration during the Covid years vitiating the growth of post Covid years. China is projected to be the biggest clothing market by 2025 at USD 340B, with India projected at USD 135B, primarily driven by the potential Economic growth and increasing disposable income of the world's two largest populations. The post pandemic growth in global trade portends an attractive opportunity for countries with large and competitive manufacturing capacities. However, global concerns persist of future risk of Covid, inflation and continuance of the Russia/Ukraine conflict. As these concerns diminish, the chances of recovery and growth will rise.

The distorted figures of clothing exports for 2020

were 1.China USD 132.5B, 2 Bangladesh USD 31.5B, 3. Vietnam USD 30.3B, 4.Turkey USD 15B, 5.India USD 12.2B (India fell from USD 16B in 2019/20 to USD 12.3 B in 2020/21). India still has to capture its rightful share of what China continues to cede.

India signed an FTA with the UAE and Australia, which will spur the export of clothing to these countries. The FTA with the UK has been targeted to be finalized by this Diwali. Encouraging statements by the Government (including by the PM/ Commerce Minister) on the long drawn negotiations with the EU on possible FTA, hold out a great potential

India's imports of clothing have been increasing (apart from the hiccup caused by the Pandemic) 2019 - 20 USD 1.1B, 2020-21 USD 0.9B projected 2025-26 USD 1.5B.

Offline retail portrays an encouraging but mixed scenario post lockdown Q1 FY22, but was again distorted in the later part of Q3 FY22, and to a smaller extent Q4 FY 22 – though Q4 FY 22 ended very positive.

India's clothing Industry continues to be poised to spike due to various reasons highlighted above. This combined with an improving post pandemic economy and growing digital consumption make India an important market for the future. The clothing Industry has been an early adopter of new technology (especially in manufacturing and analytics with focus on consumer behavior).

There has been a notable shift with traditional brick and mortar retail companies building an online D2C presence with the surge in digital adoption during Covid. India's E Commerce segment is expected to continue its high double digit growth. The online retail market is estimated to reach 37% of the total organized retail by FY 2030. The company continues its strong focus on delivery of KPI's like increased footfalls/conversion rates & sharpened inventory control to ensure consumer satisfaction.

The elevated global energy and commodity prices and disruption of the supply chain caused India's consumer price index to scale a 17 months high of 6.9% in March' 22, breaching the RBI's comfort level of 4%, consequent to which the RBI hiked its policy rate by 40 BPS in April'22.

3. OPPORTUNITIES AND THREATS:

India is witnessing an emergent trend for consumers to trade up and choose global and higher end Indian brands, increase in internet penetration, besides online price promotions. In line with global trends, sustainability and quality are gaining, rather than cheap lower quality discardable wear. The Indian consumer is no longer afraid to spend on premium high quality products and bricks and mortar retail is regaining lost ground due to the "stepping out" of consumers post lockdown. With consumers confined at home, even the luxury and premium brands

starting focusing on E Commerce.

The hybrid work culture provides great opportunities for segments like work- leisure to show rapid growth. To address this, the company has launched products in these segments, like Z3 Polo knit Shirts, Shurtas (Kurta Shirts), Jimmies (Unisex lounge bottoms) & ZOD Athleisure.

The retail market has turned highly competitive, optimizing processes to satisfy consumers. We are using customer data for planning sales and marketing, sharper consumer targeting and personalised service. A real time update of inventory offers excellent potential for growing sales. We are leveraging our data analytics capability by refining customer interactions. The focus is on fostering personalised experience using this data, critical for high percentage of repeat customers across channels

The company is concerned about various threats it has an exposure to, which include factors such as increasing competition in both the international and domestic market.

Duty free access to competing countries in the US and EU markets, uncertain business environment, potential future Covid waves, extreme volatility of the rupee, cost and timely availability of raw material, slowdown in demand due to inflation, rapid change in fashion trends, possibility of further increase in interest rates and supply chain costs sky rocketing, are concerns. In the medium term, the bricks and mortar segment could be impacted by inhibition of discretionary spending. Additionally there is also exposure to changes in government policies, duties and taxes, availability of power and suitably trained/skilled labour. The company's approach to mitigate these is quick response and proactive initiatives, to minimize the impact of these risks.

The consumer's digital engagement has risen sharply over the last couple of years and online sales are attracting new offerings. This is backed up by heavy discounts on E Commerce channels, which are focused only on building scale at the cost of profitability. Further, with the ever increasing consumer traffic on E commerce looking for fast fashion at "great" prices, the demand is growing for such merchandise, which is in turn, growing some part of the market for low quality clothing.

The clothing industry is dependent on an intricate web of global supply chain, which is seeing unprecedented levels of pressure and disruption, due to local social and geo political factors, adverse climatic conditions, lockdowns, port congestions and logistical lock jams causing sharp escalations in the cost of raw materials and finished products.

The overvalued rupee affects the competitiveness of India's clothing exports, making them comparatively more expensive. Bangladesh's currency has weakened in comparison, making its exports cheaper. Vietnam has insulated its dollar exports by pegging its currency to

the US Dollar. The trend towards de-globalisation and protectionism will have an impact on flow of global capital which is critical for India.

Commercial Real Estate in India has seen a slowdown in the last couple of years. Short supply of prime retail land, high property prices in suitable areas and Covid related uncertainties have discouraged developers from investing during this period. Further the anticipated demand for prime retail space from existing players due to aggressive expansion plans from new market entrants will further accelerate demand / prices.

The penetration of technology and growing E Retail space has enabled startups to aggressively enter the market. More international brands are expected to stake a claim to attempt to share the Indian consumer's wallet.

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 cater to diverse customer needs.

The geographical segment is identified and given below:

Year Ended 31st March 2022 -

On a Consolidated Basis

(Unit: ₹ Million)

Particulars	India	Rest of the World	Total
Segment Revenue (Net)	5014.61	7650.59	12665.20
Carrying Cost of Segment Non Current Asset	13893.99	443.95	14337.94

5. OUTLOOK:

According to the IMF, India's prospects for 2023 will be driven by expected improvements to credit growth, consequently generating investment and consumption -building on the better than expected performance of the financial sector. The expectation is that India may become the world's third largest economy in terms of consumption by 2025 due to favourable demographics, increase in disposable incomes and sharp increasing of the consuming class.

Despite the short term turbulence, India's underlying economic fundamentals are strong and the impact on the long-term will be marginal.

The government has, through policy initiatives and recently launched schemes like PIL and MITRA (mega

integrated textile region and apparel, on the back of the skill development initiative), been attempting to bolster the clothing industry. The impact of these and of increased infrastructure spending will start bearing fruit in 2023 with a strong multiplier effect on jobs / income / higher productivity and efficiency, leading to accelerated economic growth.

With inflation galloping worldwide and the Russia-Ukraine crisis continuing to disrupt economies, besides the China property crash, the disturbing de-globalisation under way and increased protectionism, greater prominence for ESG, the INR being overvalued (especially in comparison to our competitor countries). Industry needs to be strengthened considerably to face the challenges ahead to negate our competitive disadvantages.

Some areas where the government can help towards this objective are to:

- Help arrest the frittering away of the demographic dividend, partially by fast-tracking skill development
- Address the overvaluation of the INR.
- Help reduce the working capital cycle vitiated by rising inventories due buyers' distress, especially in the US and EU and the consequent stretching of receivables - by streamlining the payments of duty drawback / TUFS / IGST especially to MSME clothing exporters. They could also help by addressing the remaining GST concerns, especially the glitches in the GST portal vis a vis refund of input credit (IGST) and unblocking funds blocked by MSMEs in non-refund of inverted duty credits which are pending for lack of clarity from the GST council to address these.
- Help on overcoming tariff and non-tariff barriers (partially corrected) leveraging the recognition of India having "arrived" by fast-tracking the work-in-progress on the UK FTA, the potential FTA with the EU and the US-India economic treaty.

- Considering the encouragement of FDI in the clothing export industry (which is at a meagre 5% compared to competitor countries which range from 20-97%) which will add technical and design strengths and marketing opportunities.

Industry will need to focus on diversification into MMF clothing, which is the largest segment in global trade in clothing. The need to sharpen our competitiveness, especially by enhancing our productivity to international levels, using skills and machines, as well as IT such as machine-learning etc, the total focus will need to be on Quality, Lead-time contraction and compliance with social audits. Product differentiation and reduction of time from mind to market are vitally important for the industry has to look for markets beyond EU, UK & USA.

The company's markets are both international (well spread

over the American continent, Europe and West Asia) and domestic. It has developed several competitive strengths in the various areas identified and looks forward to the stabilisation of both Indian and International markets and to being able to benefit from the market share China is consciously ceding. In India the web business, which has been growing consistently, holds great promise.

6. RISKS AND CONCERNS:

The global financial crisis, followed by the Eurozone debt crisis, Brexit, adoption of “country-first” policies, trade sanctions, the pandemic, followed by the China Property crisis, and now the Russia-Ukraine crisis, have flipped the switch to a mode of de-globalization. Motivated by local, political and economic considerations, countries are looking to become more self reliant - eliminating or reducing dependance on a single country (China + 1), near-shoring to markets by the US / EU, or more widespread, impacting developing countries disproportionately by limiting their potential growth via exports. Inherently, de-globalization causes production inefficiencies moving the focus from each country doing what it does best, to each country doing everything, resulting in price increases and undoing the competitive advantages different countries possess. The global flow of capital, so critical to developing countries, also gets impacted.

India could be well positioned to benefit (given the ongoing reforms and initiatives for the thrust on manufacturing more efficiently) but needs to safeguard against any significant “protectionist” policies at this juncture, which could prevent the leveraging of the opportunities it has.

Worldwide inflation, the looming global recession concerns, the continuation of the Russia-Ukraine crisis, the China property crash, have clouded the horizon and have started impacting international buyers who have built up unsold excess inventory due to decline of discretionary spending, and are resorting to cancellations / lower fresh orders / protracted credits and delayed payments (even by the most financially healthy entities) and other unreasonable demands like unjustified discounts.

The possibility of potential future pandemic waves, deep discounting especially on the online channels, ease of entry by startups in e-commerce, the partial continuation of the work from home culture, political turbulence in the UK possibly delaying the Diwali deadline for finalisation of the FTA, & vitiation of FTA negotiations with the EU due to its economic woes are risks to be dealt with.

Rising interest rates in India (and globally), productivity gains in India not being achieved as fast as they should, continued overvaluation of the INR, the further elongation of the working capital cycle (partially due to sluggish reimbursements of TUFs/DBK/GST refunds results in blockage of outflows already made) all result in eroding the country’s competitive advantage.

The trade and current account deficits rising and adverse geopolitical events, are also affecting the economy, with consequences of a multiplier effect on demand, consumption, income and employment.

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. The internal control systems are designed to ensure that the financial statements are prepared based on reliable information.

8. COMPANY’S FINANCIAL PERFORMANCE:

(₹ in lakhs)

	2021 - 22	2020 - 21
Total Revenue from Operations (Net)	16,062	13,249
PROFIT/(LOSS) BEFORE TAXATION	(884)	(2,317)
Provision for Taxation:		
Current Tax	113	113
Deferred tax Charge/(Credit)	(23)	(35)
Tax in respect of earlier years	14	(4)
PROFIT/(LOSS) AFTER TAXATION	(988)	(2,391)
Other Comprehensive Income / (Loss)	580	193
Total Comprehensive Income for the year	(408)	(2,198)

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 widespread disruption and opportunism by overseas buyers. The consumer senti-ment 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, con-tinued 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 continuing to reduce a large part of its fixed expenses (as witnessed in FY 22) 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 20 new Stores were opened (19 unviable stores closed – a net decrease of 1 stores) with 96 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. Employee's 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, 2022	As at March 31, 2021
Debtors Turnover Ratio	6.89	6.11
Inventory Turnover Ratio	0.79	0.52
Interest Coverage Ratio	2.53	0.99
Current Ratio	1.36	1.52
Debt Equity Ratio	0.33	0.39
EBITDA Margin	12.19%	8.93%
Operating Profit Margin	55.73%	56.86%
Net Profit Margin	-6.15%	-18.04%
Return on Net Worth	7.0%	3.6%
Return on Average Capital Employed	-0.90%	-4.44%

Note: Return on Capital Employed, Net Profit Ratio, Inventory Turnover Ratio, Return On Equity Ratio, EBITDA margin has changed due to increase in sales and the resultant decrease in loss. Interest Service Coverage Ratio has improved due to increase in EBITDA and decrease in interest cost.

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, 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

A. Y. Noorani

Date: 12th August, 2022

Chairman

ZODIAC

Carletti

Italian 100's

Carletti

LUXURIOUS ITALIAN 100's FABRIC

ZODIAC

FINEST QUALITY CLOTHING

— www.zodiaconline.com —

ARGUABLY THE FINEST SHIRT YOU WILL EVER OWN

Egyptian Giza 87 Cotton

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



Fine Craftsmanship

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



Unmatched Wearer Experience

The softest, lightest, silkiest,
airiest shirt that you have ever worn.
And it only gets better with every wash.



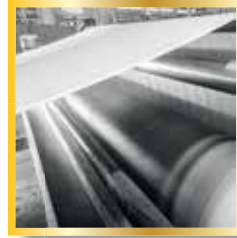
Split Back Yoke

Ensures a perfect drape
on your shoulders.



Rare Single 100's Count

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



Sharper, Straighter, Collars

The collar aesthetic and precision get
further enhanced by the collar stay, put
through a pouch, cleverly crafted under
the collar. This supports and makes the
collar, sharper and straighter.



Trinity Buttons

Genuine Mother-Of-Pearl used
with our trademark 3-hole button.



Embroidered Main Label

Adds luxury to the shirt.



Exclusivity

Very limited availability of Super 100's, Giza 87 across the world makes Carletti shirt quite rare.

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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year 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, 2022, 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 ₹11,232.44 Lakhs as at March 31, 2022 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 was 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, 2022.</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>	<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 professional 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 for 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, 2022. 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>We have performed audit procedures including 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, unabsorbed business loss 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 standalone 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 annual report but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

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

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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B 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 the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 (i) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49 (d) to the standalone financial statements);

- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49 (d) to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- 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 : May 30, 2022 UDIN: 22107038AJWHWV6270

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Zodiac Clothing Company Limited on the standalone financial statements for the year ended March 31, 2022

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. We have audited the internal financial controls with reference to financial statements of Zodiac Clothing Company Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act 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 controls 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 controls 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 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 controls 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.

Opinion

8. In our opinion, the Company has, 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India. Also refer paragraph 4 of our main report.

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

Sachin Parekh
Partner

Place: Mumbai
Date: May 30, 2022

Membership Number : 107038
UDIN: 22107038AJWHWV6270

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Zodiac Clothing Company Limited on the standalone financial statements as of and for the year ended March 31, 2022

- i.(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the

Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 4(a), 4(c) and 5 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Property, Plant and Equipment: Building ("Nyloc House") and underlying leasehold land	2,395.05	Multiplex Collapsible Tubes Limited Mr. Pradeep Shroff and Mr. Nalin Thakkar (as lessee)	None	Since March 2018	Acquired pursuant to scheme of amalgamation. As informed by Management, it has initiated the process of getting the name transferred in Company's name.
Investment Property: Building (portion of Nyloc House)	736.89	Multiplex Collapsible Tubes Limited			
Right of Use Assets: Leasehold Land (pertaining to factory at Umbergaon)	1.69	Merino Knitting Industries	None	Since August 2003	

- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company

has appropriately disclosed the details in its financial statements does not arise.

- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of

current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account

as set out below. (Also refer Note 49 (b) to the standalone financial statements)

₹ in lakhs

Name of the Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement* (A)	Amount as per books of account* (B)	Difference (A-B)	Reason for difference
HDFC Bank	2,500.00	Hypothecation of all current assets of the Company	June 30, 2021	9,069.45	9,926.03	(856.58)	Refer Note below
RBL Bank	2,000.00		September 30, 2021	9,120.68	9,952.61	(831.93)	
			December 31, 2021	9,317.17	10,110.33	(793.16)	

* Aggregate amount comprises of Inventories, Trade Receivables, Export Benefit Receivables and refund receivable of Goods and Services Tax. Further, the return/ statement for the quarter ended March 31, 2022 is yet to be submitted by the Company.

Note - As explained by the management, amounts reported in the quarterly statements submitted to the banks are lower than the balance as per unaudited books of accounts and consideration of such reporting was to cover at a minimum the security requirements as specified in the sanction letters. We have not, however, separately evaluated the reason provided by the management.

iii. (a) The Company has made investment in one mutual fund and granted interest free loans to six employees. The Company has not made investments in nor provided any guarantee or security or granted loans/advances in nature of loans, secured/ unsecured, to companies or firms or Limited Liability Partnerships during the year.

(b) In respect of the aforesaid investments / loans, the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were

granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year had stipulated the schedule of repayment of principal and same was not repayable on demand. There were no loans/advances in nature of loans granted during the year, to promoters/ related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of Act in respect of loans or investments made or guarantee or security provided by it, as applicable. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 of the Act.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance and income tax, though there has been a slight delay in a few cases,

and is regular in depositing undisputed statutory dues, including goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Period to which the amount relates (Financial year)	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	4.91	1997-98	High Court of Bombay
		0.74	1999-2000	Deputy Commissioner of Income Tax
		306.76	2009-10, 2010-11, 2013-14 and 2014-15	Commissioner of Income Tax (Appeals)
	Tax Deducted at Source	205.81	2011-12 to 2017-18	Commissioner of Income Tax (Appeals)
The Kerala General Sales Tax Act, 1963	Sales tax	4.05	2001-02 and 2002-03	Deputy Commissioner (Appeals) Commercial taxes, Ernakulam
The Kerala Value Added Tax Rules, 2005	Value added tax	77.40	2010-11 to 2013-14	Deputy Commissioner Tevera Division, Ernakulam
The West Bengal Sales Tax Act, 1994	Sales Tax	7.85	2002-03 and 2003-04	Assistant Commissioner of Commercial Taxes, Kolkata
The Central Sales Tax Act, 1956	Sales Tax	13.13	2002-03 and 2003-04	Assistant Commissioner of Commercial Taxes, Kolkata
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	271.36	2014-15 and 2015-16	Joint Commissioner of Sales Tax (Appeals), Mumbai

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions, which are not recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Further, the Company did not have unutilised term loans as at the end of the immediately preceding previous year.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 1,800.89 Lakhs in the financial year and of Rs. 2,341.13 Lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 49 (a) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The Company does not have any amount required to be spent under Section 135(5) of the Act during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sachin Parekh
Partner

Place: Mumbai

Date: May 30, 2022

Membership Number: 107038

UDIN: 22107038AJWHWV6270

ZODIAC CLOTHING COMPANY LIMITED
Standalone Balance Sheet as at March 31, 2022

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

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4(a)	9,063.62	9,722.78
	Right-of-use assets	4(c)	1,898.70	3,857.84
	Capital work - in - progress	4(b)	117.87	5.44
	Investment properties	5	1,129.15	1,132.18
	Intangible assets	6	152.25	162.42
	Financial assets			
	- Investments in subsidiary	7	65.91	65.91
	- Investments	8	4,842.50	3,000.84
	- Loans	9	9.83	-
	- Others financial assets	10	1,104.14	1,124.08
	Deferred tax assets (net)	37	1,564.88	1,564.88
	Non - Current tax assets (net)	37	1,079.44	1,050.47
	Other non - current assets	11	387.05	508.92
	Total non-current assets		21,415.34	22,195.76
2	Current assets			
	Inventories	12	6,747.04	7,692.60
	Financial assets			
	- Investments	13	165.66	620.63
	- Trade receivables	14	2,045.87	1,674.14
	- Cash and cash equivalents	15	34.93	91.36
	- Bank Balances other than cash and cash equivalents	16	40.01	43.14
	- Loans	17	4.55	44.71
	- Other financial assets	18	109.31	215.49
	Current tax assets (net)	37	-	234.56
	Other current assets	19	2,774.98	2,156.73
3	Total current assets		11,922.35	12,773.36
	Assets classified as held for sale	20	178.78	178.78
	TOTAL ASSETS		33,516.47	35,147.90
II	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	21	2,475.95	2,475.95
	Other equity	22	19,917.45	20,325.57
	Total equity		22,393.40	22,801.52
2	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Borrowings	23	536.11	813.44
	- Lease Liabilities	4(c)	1,782.25	3,089.38
	- Other financial liabilities	26	28.64	22.83
	Other non-current liabilities	28	22.24	36.21
	Total non-current liabilities		2,369.24	3,961.86
	Current liabilities			
	Financial liabilities			
	- Borrowings	24	4,210.00	3,579.14
	- Lease Liabilities	4(c)	786.51	1,503.20
	- Trade payables	25		
	- total outstanding dues of micro and small enterprises		34.62	54.18
	- total outstanding dues of creditors other than micro and small enterprises		2,778.74	2,291.57
	- Other financial liabilities	26	95.71	129.95
	Provisions	27	95.95	85.39
	Other current liabilities	28	752.30	741.09
	Total current liabilities		8,753.83	8,384.52
	Total liabilities		11,123.07	12,346.38
	TOTAL EQUITY AND LIABILITIES		33,516.47	35,147.90
	Significant Accounting Policies	2		

The accompanying notes (1 - 50) 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 & Managing Director
DIN: 00068423

Sachin Parekh
Partner
Membership No. 107038
Mumbai
May 30, 2022

B. MAHABALA
Chief Financial Officer

KUMAR IYER
Company Secretary

Mumbai
May 30, 2022

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	INCOME			
	Revenue from operations	29	12,823.76	9,994.97
	Other income	30	3,238.49	3,254.49
	Total Income		16,062.25	13,249.46
II	EXPENSES			
	Cost of materials consumed	31	4,948.04	3,384.15
	Purchases of stock-in-trade		49.26	114.21
	Changes in inventories of finished goods, stock-in-trade and work-in progress	32	680.04	813.89
	Employee benefits expense	33	3,740.21	3,838.46
	Finance costs	34	616.85	903.63
	Depreciation and amortization expense	35	1,830.02	2,305.65
	Other expenses	36	5,081.59	4,206.00
	Total expenses		16,946.01	15,565.99
III	Loss before tax		(883.76)	(2,316.53)
IV	Tax expense	37		
	Current tax		113.00	113.30
	Deferred tax credit		(23.07)	(35.20)
	Tax in respect of earlier years		14.42	(3.77)
	Total Tax expense		104.35	74.33
V	Loss for the year		(988.11)	(2,390.86)
VI	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of net defined benefit plans	41	38.19	73.49
	- Equity Instruments through Other Comprehensive Income		555.75	51.62
	- Income tax relating to above items		(20.46)	(11.72)
	(ii) Items that may be reclassified to profit or loss			
	- Net gains/(losses) on cash flow hedges		9.12	109.87
	- Income tax relating to above items		(2.61)	(30.49)
	Other Comprehensive Income for the year, net of tax		579.99	192.77
VII	Total Comprehensive Loss for the year		(408.12)	(2,198.09)
VIII	Loss per equity share of ₹10 each	40		
	Basic (₹)		(3.99)	(10.61)
	Diluted (₹)		(3.99)	(10.61)
	Significant Accounting Policies	2		

The accompanying notes (1 - 50) 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 & Managing Director
DIN: 00068423

Sachin Parekh
Partner
Membership No. 107038

B. MAHABALA
Chief Financial Officer

KUMAR IYER
Company Secretary

Mumbai
May 30, 2022

Mumbai
May 30, 2022

ZODIAC CLOTHING COMPANY LIMITED
Standalone Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(883.76)	(2,316.53)
Adjustments for:		
Depreciation and amortization expenses	1,830.02	2,305.65
Finance cost	616.85	903.63
Net unrealised exchange gain on foreign currency translation / transaction	(33.08)	(29.86)
Dividend Income	(679.64)	(685.38)
Rent income	(202.99)	(140.15)
Unwinding of discount on security deposits	(58.73)	(77.66)
Interest income	(93.52)	(15.96)
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	(1,638.48)	(554.23)
Covid-19 related Rent Concessions	(352.64)	(1,152.20)
Gain on termination / remeasurement / modification of lease contracts	(170.23)	(614.75)
Allowance for doubtful debts, loans and deposits	15.00	-
Bad debts, loans, advances, deposits etc. written off	27.87	262.45
Net Loss on sale/discard of property, plant and equipment	73.98	184.19
Operating loss before working capital changes	(1,549.35)	(1,930.80)
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(544.52)	456.55
Decrease in inventories	945.56	1,129.31
Increase / (Decrease) in trade and other payables	556.12	(536.58)
Increase in provisions	48.75	24.46
Less: Direct taxes (paid) / refunds received (net)	(543.44)	(857.06)
Net cash flows used in from operating activities	(465.27)	(926.76)
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of property, plant and equipment	6.38	29.70
Interest received	97.93	11.38
Rent received	108.24	243.51
Sale proceeds of non-current investments	333.10	396.45
Sale proceeds of current investments (Net)	474.32	-
Dividend received	679.64	685.38
Proceeds from Term Deposits (Net)	-	4.04
	1,699.61	1,370.46
Outflows		
Purchase of property, plant and equipment/ intangible assets	(333.60)	(153.47)
Purchase of current investments (Net)	-	(425.33)
Purchase of non-current investments	-	(158.98)
Investment in Term Deposits (Net)	(1.03)	-
	(334.63)	(737.78)
Net cash generated from investing activities	1,364.98	632.68
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from issue of equity shares (including securities premium) / Share Warrants	-	2,500.00
Proceeds from non-current borrowings	-	1,094.65
Proceeds towards loan from directors	378.25	-
	378.25	3,594.65
Outflows		
Repayment of non-current borrowings	(18.56)	(2,013.94)
Repayment of current borrowings (net)	(6.16)	(738.04)
Payment of Principal portion of lease liabilities	(674.89)	(77.46)
Interest paid on lease liabilities	(270.51)	(477.68)
Interest paid on others	(364.27)	(448.40)
	(1,334.39)	(3,755.52)
Net cash used in financing activities	(956.14)	(160.87)
Net increase / (decrease) in cash and cash equivalents	(56.43)	(454.95)
Add : Cash and cash equivalents at beginning of the year	91.36	546.31
Cash and cash equivalents at end of the year	34.93	91.36
Non-cash financing and investing activities	Year Ended March 31, 2022	Year Ended March 31, 2021
Acquisition of right-of-use assets	53.01	342.50
Cash and cash equivalent as per above comprises of the following	As at March 31, 2022	As at March 31, 2021
Cash on hand	4.13	2.24
Balances with Banks	30.80	89.12
Total	34.93	91.36

Notes:

The above Statement of Cash Flow 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 - 50) 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

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

May 30, 2022

Mumbai

May 30, 2022

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

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

A. Equity Share Capital

	Notes	Amount
As at April 01, 2020		2,247.77
Changes in equity share capital	21	228.18
As at March 31, 2021		2,475.95
Changes in equity share capital	21	-
As at March 31, 2022		2,475.95

B. Other Equity

Particulars	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, 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)
Remeasurements of net defined benefit plans	-	-	-	-	-	73.49	-	-	73.49
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	39.90	-	39.90
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	12.14	12.14
Reclassification to Statement of Profit and Loss (net of 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
Loss for the year	-	-	-	-	-	(988.11)	-	-	(988.11)
Remeasurements of net defined benefit plans	-	-	-	-	-	38.19	-	-	38.19
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	535.29	-	535.29
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	18.65	18.65
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(12.14)	(12.14)
Total Comprehensive Income for the year	-	-	-	-	-	(949.92)	535.29	6.51	(408.12)
Balance as at March 31, 2022	9,672.52	8.16	15.84	200.00	2,677.51	6,473.12	851.65	18.65	19,917.45

The accompanying notes (1 - 50) 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

B. MAHABALA
Chief Financial Officer

KUMAR IYER
Company Secretary

Sachin Parekh
Partner
Membership No. 107038
Mumbai
May 30, 2022

Mumbai
May 30, 2022



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Italy

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 liquidity position of the Company (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 amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases. The Company has applied extension of 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) Reclassifications consequent to amendments to Schedule III to the Act

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021. Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year. The current maturities of long-term borrowings has now been included in the 'Current borrowings' line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item. Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item. The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Other financial liabilities (current)	148.51	(18.56)	129.95
Borrowings (Current)	3,560.58	18.56	3,579.14
Loans (non-current)	1,123.08	(1,123.08)	-
Other financial assets (non-current)	1.00	1,123.08	1,124.08
Loans (current)	174.71	(130.00)	44.71
Other financial assets (current)	85.49	130.00	215.49

(vi) 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.

(vii) 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 assets.

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, taking into consideration 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.

(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 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.

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.

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.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Covid-19-Related Rent Concessions:

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116- Leases, by inserting a practical expedient on "Covid19-Related Rent Concessions" and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022. 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, 2022
- 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 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 transferred 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. In case of sale of goods where transportation of goods is considered as separate obligation, freight and insurance recovered is considered as sale of services.

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) 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 at the year-end by actuary 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.

(iii) 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.

(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 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 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) Non-current assets held for sale

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.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

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

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(y) Recent Accounting Pronouncements:

Standards issued but not yet effective:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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)



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

4(a) Property, Plant and Equipment

	Freehold Land (note (iii) below)	Buildings (note (iii) below)	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Total
Gross Carrying Amount										
Balance as at April 01, 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	-	-	-	85.18	-	-	-	-	-	85.18
(Refer Note (v) below and Note 20)										
Reclassified to Investment Property (Refer Note v)	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
Additions	-	-	75.77	2.48	11.80	-	1.08	0.66	43.97	135.76
Disposals	-	-	239.72	48.10	61.16	-	11.10	30.87	38.88	429.83
Reclassified to Investment Property (Refer Note vi)	-	43.40	-	-	-	-	-	-	-	43.40
Balance as at March 31, 2022	362.47	2,847.91	2,194.05	3,632.63	2,840.97	46.88	659.89	203.16	888.42	13,676.38
Accumulated depreciation										
Balance as at April 01, 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	-	-	-	29.30	-	-	-	-	-	29.30
(Refer Note (v) below and Note 20)										
Reclassified to Investment Property (Refer Note v)	-	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
Additions	-	64.68	115.60	199.89	215.05	-	35.24	12.11	45.62	688.19
Disposals	-	-	208.36	35.27	54.36	-	2.77	29.39	23.31	353.46
Reclassified to Investment Property (Refer Note vi)	-	13.04	-	-	-	-	-	-	-	13.04
Balance as at March 31, 2022	-	397.56	1,137.88	1,184.08	1,235.18	36.83	206.64	162.93	251.66	4,612.76
Carrying Amounts										
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
Balance as at March 31, 2022	362.47	2,450.35	1,056.17	2,448.55	1,605.79	10.05	453.25	40.23	636.76	9,063.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

4(b) Capital Work in Progress

Capital Work in Progress (CWIP) (Refer Note iv)	Opening carrying amount	Additions	Disposals	Assets classified as held for sale	Transfer	Closing carrying amount
For the year ended March 31, 2021	186.94	-	15.36	122.90	43.24	5.44
For the year ended March 31, 2022	5.44	114.64	-	-	2.21	117.87

Aging of CWIP

Projects in Progress	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
For the year ended March 31, 2021	-	-	5.44	-	5.44
For the year ended March 31, 2022	114.64	-	-	3.23	117.87

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.
- Refer note 49 (c) for immovable properties not held in name of the Company.
- Actual cost of capital projects in progress has not exceeded the estimated cost and the actual timelines for completion of projects has not exceeded the estimated timelines in respect of the amounts reported in 4(b), as at end of each reporting period. Accordingly, completion schedule is not presented. CWIP as at March 31, 2022 majorly comprises of costs directly attributable to a building. CWIP as at March 31, 2021 majorly comprises of Furniture & Fixtures to be used for retail shops. There are no projects which are suspended as on March 31, 2021 and March 31, 2022.
- During the previous year, 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 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 held for sale.
- During the current year, a residential flat having carrying value of ₹30.36 lakhs has been transferred to investment properties.

4(c) Leases

This note provides information for leases where the Company is a lessee. The Company leases Land and Building (retail stores, 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, 2022	As at March 31, 2021
Right of use assets		
- Leasehold Land	1.34	1.54
- Buildings	1,897.36	3,856.30
Total	1,898.70	3,857.84

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, 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
Additions	-	53.01	53.01
Deductions on disposals	-	1,769.27	1,769.27
Balance as at March 31, 2022	2.54	7,772.84	7,775.38
II. Accumulated depreciation			
Balance as at April 01, 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
Depreciation expense for the year	0.20	1,042.11	1,042.31
Deductions on disposals	-	799.43	799.43
Balance as at March 31, 2022	1.20	5,875.48	5,876.68
Carrying amount			
Balance as at March 31, 2021	1.54	3,856.30	3,857.84
Balance as at March 31, 2022	1.34	1,897.36	1,898.70

* Refer note 49 (c) for immovable properties not held in name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

4(c) Leases (Contd...)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	786.51	1,503.20
Non-Current	1,782.25	3,089.38
Total	2,568.76	4,592.58

(ii) Amounts recognised in the statement of profit and loss

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation charge of Right-of-use assets		
- Leasehold Land	0.20	0.20
- Buildings	1,042.11	1,470.95
	1,042.31	1,471.15
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
COVID-19 related Rent Concessions (included in other income)*	352.64	1,152.20
Gain on termination / remeasurement of lease contracts (included in other income)	170.23	614.75
Interest expense (included in finance costs)	270.51	477.68
Rent		
- Expense relating to short-term leases (included in other expenses)	424.05	364.92
- Expense relating to variable lease payments not included in lease liabilities	164.11	185.84
	588.16	550.76

The total cash outflow for leases for the year ended March 31, 2022 was ₹1,533.56 Lakhs (March 31, 2021 ₹1,105.90 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 July 24, 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. Covid-19 Related Rent Concessions and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022.

Certain lessors have provided rent concessions to the Company as a result of the Covid-19 pandemic. Rent concession include rent holidays, rent reduction and/or variable rent as % of sales for a certain period but not beyond June 30, 2022.

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

Certain 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, re-evaluation done post Covid-19 etc.. 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 50% increase in sales across all stores in the company with such variable lease contracts would increase total lease payments by approximately ₹82.06 Lakhs (March 31, 2021 ₹92.92 Lakhs).

(iv) Extension and termination options

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, 2022

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

5. Investment Properties

	Land	Building	Total
Gross carrying amount			
Balance as at April 01, 2020	-	806.02	806.02
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	45.94	411.21	457.15
Balance as at March 31, 2021	45.94	1,217.23	1,263.17
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	-	43.40	43.40
Balance as at March 31, 2022	45.94	1,260.63	1,306.57
Accumulated depreciation			
Balance as at April 01, 2020	-	61.39	61.39
Additions	-	15.94	15.94
Reclassified from Property, plant and equipment (Refer Note 4(a)(v))	-	53.66	53.66
Balance as at March 31, 2021	-	130.99	130.99
Additions	-	33.39	33.39
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	-	13.04	13.04
Balance as at March 31, 2022	-	177.42	177.42
Net carrying amount			
Balance as at March 31, 2021	45.94	1,086.24	1,132.18
Balance as at March 31, 2022	45.94	1,083.21	1,129.15
Note:			

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

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from investment properties	193.99	131.15
Direct operating expenses (including repairs and maintenance) of investment properties	4.78	3.57
Income arising from investment properties before depreciation	189.21	127.58
Depreciation	33.39	15.94
Income arising from investment properties (Net)	155.82	111.64

(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, 2022	As at March 31, 2021
For a period not later than one year	206.73	99.48
For a period later than one year and not later than five years	193.81	417.88
For a period later than five years	-	-

(iii) Fair value

Particulars	Investment Properties		
	Land	Building	Total
As at March 31, 2021	4,070.47	5,359.54	9,430.01
As at March 31, 2022	4,097.33	6,058.07	10,155.40

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 as defined under Companies Act, 2013. 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) Refer note 49 (c) for immovable properties not held in name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

6 Intangible assets

	Computer Software
Gross carrying amount	
Balance as at April 01, 2020	488.77
Additions	20.93
Disposals	-
Balance as at March 31, 2021	509.70
Additions	59.95
Disposals	3.99
Balance as at March 31, 2022	565.66
Accumulated amortisation	
Balance as at April 01, 2020	278.10
Additions	69.18
Disposals	-
Balance as at March 31, 2021	347.28
Additions	66.13
Disposals	-
Balance as at March 31, 2022	413.41
Net carrying amount	
Balance as at March 31, 2021	162.42
Balance as at March 31, 2022	152.25

7 Investments in Subsidiary

	As at March 31, 2022		As at March 31, 2021	
	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, 2022		As at March 31, 2021	
	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)	221,024	1,030.63	221,024	475.20
Aditya Birla Capital Limited (Equity Shares of ₹ 10 each)	138	0.15	138	0.16
Grasim Industries Limited (Equity Shares of ₹ 10 each)	99	1.65	99	1.44
Aditya Birla Fashion and Retail Limited (Equity Shares of Rs. 10 each)	343	1.04	343	0.69
Hindalco Industries Limited (Equity Shares of ₹ 1 each)	830	4.73	830	2.71
Coramandel International Limited (Equity Shares of Rs. 10 each)	108	0.86	108	0.84
Exide Industries Limited (Equity Shares of ₹ 10 each)	7	0.01	7	0.01
Indraprastha Medical Limited (Equity Shares of ₹ 10 each)	5,000	2.92	5,000	2.69
Karur Vysya Bank Limited (Equity Shares of ₹ 2 each)	32,733	15.16	32,733	18.23
Maan Alluminium Limited (Equity Shares of ₹ 10 each)	1,000	1.35	500	0.77
Spentex Industries Limited (Equity Shares of ₹ 10 each)	54	*	54	*
Total (A)		1,058.50		502.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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)	68,127	1,651.08	75,120	943.61
	Paragon Partners Growth Fund I (Units of ₹ 100/- each)	435,286	769.54	455,818	683.73
	Tata Capital Healthcare Fund (Units of ₹ 1 /- each)	20,000,000	36.00	20,000,000	44.00
	Tata Capital Growth Fund (Units of ₹ 1 /- each)	20,000,000	172.00	20,000,000	98.00
	Faering Capital India Evolving Fund (Units of ₹ 1000/- each)	38,886	1,155.38	38,886	728.76
	Total (C)		3,784.00		2,498.10
	Total (A+B+C)		4,842.50		3,000.84
	Aggregate amount of quoted investments		1,058.50		641.78
	Aggregate Market Value of the quoted investments		1,058.50		641.78
	Aggregate amount of unquoted investments		4,089.62		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 39(ii)(b) for Investment Commitments related to Venture Capital funds.

9 Non-current loans

	As at March 31, 2022	As at March 31, 2021
Unsecured considered good		
Loans to employees	9.83	-
Total	9.83	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

10 Other non-current financial assets

	As at March 31, 2022	As at March 31, 2021
Security deposits - considered good	1,103.14	1,123.08
Security deposits - considered doubtful	42.00	42.00
Total	1,145.14	1,165.08
Less: Allowance for doubtful deposits	(42.00)	(42.00)
	1,103.14	1,123.08
Term deposits with banks - considered good	1.00	1.00
Total	1,104.14	1,124.08
Note: Security Deposits (for premises taken on lease) includes amount paid to:		
(i) Directors		
Mr. M. Y. Noorani \$	-	3.60
Mr. A. Y. Noorani	11.25	9.45
Mr. S. Y. Noorani	11.25	9.45
(ii) Firms in which Directors of the Company are partners		
Metropolitan Trading Company	115.00	115.00
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 has been completed on June 30, 2021.

11 Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Capital advances	12.80	23.01
Prepaid expenses	1.48	1.05
Balances with government authorities - GST Input credit	317.92	430.01
Balances with government authorities (including deposits) - Others	54.85	54.85
Total	387.05	508.92

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

12 Inventories

	As at March 31, 2022	As at March 31, 2021
(The mode of valuation of inventories has been stated in Note 2(h))		
Raw and Packing Materials [Includes Raw Material - In Transit ₹15.91 Lakhs, (As at March 31, 2021 ₹31.29 Lakhs)]	1,665.04	1,905.22
Work-in-progress	164.16	106.08
Finished goods	4,265.90	4,936.90
Stock-in-trade	541.41	608.53
Stores and Spares	110.53	135.87
Total	6,747.04	7,692.60

Inventory writedowns are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Writedowns of inventories amounted to ₹130.83 Lakhs for the year ended March 31, 2022 (Rs. 200.36 Lakhs for year ended March 31, 2021). 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, 2022	No. of Units	As at March 31, 2021
Investments in Mutual Funds				
Unquoted				
At Fair value through Profit and Loss				
HDFC Ultra Short Term - Regular Growth (Units of ₹ 10/- each)	1,345,889	165.24	5,235,756	620.23
HDFC Ultra Short Term Fund - daily dividend reinvestment (Units of ₹ 10/- each)	4,086	0.42	3,930	0.40
Total		165.66		620.63
Aggregate amount of unquoted investments		165.66		620.63

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

14 Trade receivables

	As at March 31, 2022	As at March 31, 2021
Receivables from related parties (Refer Note 43)	575.01	371.00
Others	1,884.46	1,701.74
Less: Loss Allowances	(413.60)	(398.60)
Total	2,045.87	1,674.14
Note (a): Break-up of security details		
Trade receivables considered good - unsecured	2,045.87	1,674.14
Trade receivables - credit impaired unsecured	413.60	398.60
Total	2,459.47	2,072.74
Less: Loss Allowances	(413.60)	(398.60)
Total Trade Receivables	2,045.87	1,674.14
Note (b): Amounts Receivable from firms in which Directors are partners		
Mashal Enterprises	2.99	2.58

Refer Note 45 for information about credit risk and market risk of trade receivables.

Note (c): Aging of trade receivables:

		Outstanding for following periods from the due date					
Unsecured Trade receivables	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022							
(i) Undisputed - considered good	1,412.46	536.46	38.94	51.25	6.76	-	2,045.87
(ii) Disputed - credit impaired	-	-	-	-	42.24	371.36	413.60
Total	1,412.46	536.46	38.94	51.25	49.00	371.36	2,459.47
As at March 31, 2021							
(i) Undisputed - Considered good	1,015.32	555.70	35.20	62.65	5.27	-	1,674.14
(ii) Disputed - credit impaired	-	-	-	-	66.41	332.19	398.60
Total	1,015.32	555.70	35.20	62.65	71.68	332.19	2,072.74

15 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	4.13	2.24
Balances with Banks		
- In current accounts	30.80	76.23
- In EEFC accounts	-	12.89
Total	34.93	91.36

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2022 and previous year end.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

16 Bank Balances other than cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Term deposits with Banks	34.25	33.19
Less: Interest accrued (included in Note 18)	(0.22)	(0.19)
	34.03	33.00
Unclaimed dividends - Earmarked balances with banks	5.98	10.14
Total	40.01	43.14

17 Current loans

	As at March 31, 2022	As at March 31, 2021
Unsecured considered good		
Loans to employees	4.55	44.71
Total	4.55	44.71

18 Other current financial assets

	As at March 31, 2022	As at March 31, 2021
Security Deposits	22.89	130.00
Interest accrued	0.22	4.63
Derivative financial instruments	38.36	25.31
Other advances - considered good	47.84	55.55
Other advances - considered doubtful	9.81	9.81
Total	57.65	65.36
Less: Allowance for doubtful advances	(9.81)	(9.81)
	47.84	55.55
Total	109.31	215.49

19 Other current assets

	As at March 31, 2022	As at March 31, 2021
Export Benefits receivables	491.51	219.66
Excess Contribution to gratuity fund (Refer Note 41)	24.04	15.30
Interest subvention receivable	21.56	-
Advances to Suppliers	36.97	32.12
Prepaid expenses	48.55	54.47
Balances with government authorities - GST Input credit receivable/refundable	2,121.35	1,804.18
Right to recover returned goods	31.00	31.00
Total	2,774.98	2,156.73

20 Assets classified as held for sale

	As at March 31, 2022	As at March 31, 2021
Plant & Machinery *	178.78	178.78
Total	178.78	178.78

* Refer Note 4(a)(v)

Plant & Machinery identified as asset held for sale to Zodiac Bangladesh Clothing Limited. The construction of factory at Bangladesh got delayed due to Covid-19 restrictions which delayed transfer of plant & machinery identified as asset held for sale. Subsequent to year end, the Company has obtained necessary approvals from relevant authorities and is in process of initiating the sale.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

21 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised		
3,40,00,000 [March 31, 2021: 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, 2021: 2,24,77,677] Equity Shares of ₹10 each	2,475.95	2,475.95
	2,475.95	2,475.95

Notes:

a) Reconciliation of number of shares:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	24,759,531	2,475.95	22,477,677	2,247.77
Issued during the year #	-	-	2,281,854	228.18
Balance as at the end of the year	24,759,531	2,475.95	24,759,531	2,475.95

b) Rights, preferences and restrictions attached to shares:

Equity shares: Equity shares: The Company 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 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, 2022		As at March 31, 2021	
	%	No. of shares	%	No. of shares
Late Mohammed Yusuf Noorani ** \$	0.94	232,875	21.11	5,225,931
Salman Yusuf Noorani & Anees Yusuf Noorani @	20.17	4,993,056	-	-
Asia Tangible Investments Pte Limited	12.74	3,154,882	12.74	3,154,882
Euro Global Holdings Pte Limited	12.74	3,154,882	12.74	3,154,882
Akash Bhanshali	1.62	401,700	5.50	1,361,700
Anees Yusuf Noorani	11.71	2,899,899	11.71	2,899,899
Salman Yusuf Noorani	10.83	2,681,344	10.83	2,681,344

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

d) Details of shareholding of promoters:

	Year Ended March 31, 2022			Year Ended March 31, 2021		
	Number of Shares	% of total number of shares	% change during the year	Number of Shares	% of total number of shares	% change during the year
Late Mohamed Yusuf Noorani \$	232,875	0.94	(95.54)	5,225,931	21.11	-
Salman Yusuf Noorani & Anees Yusuf Noorani \$	4,993,056	20.17	100.00	-	-	-
Salman Yusuf Noorani	2,681,344	10.83	-	2,681,344	10.83	74.07
Anees Yusuf Noorani	2,899,899	11.71	-	2,899,899	11.71	64.86
Euro Global Holdings Pte. Ltd.	3,154,882	12.74	-	3,154,882	12.74	-
Asia Tangible Investments Pte. Ltd.	3,154,882	12.74	-	3,154,882	12.74	-
Adnan Salman Noorani	200,000	0.81	-	200,000	0.81	-
Muna Anees Noorani	75	&	-	75	&	-
Zehra Salman Noorani	367	&	-	367	&	-
Musaed Anees Noorani	8,409	0.03	-	8,409	0.03	-
Awais Anees Noorani	75	&	-	75	&	-
Saniyya Anees Noorani	75	&	-	75	&	-
M Y Noorani 2007 Trust (Trustee - Anees Yusuf Noorani and Salman Yusuf Noorani)	607	&	-	607	&	-
Total	17,326,546	69.97		17,326,546	69.97	

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Company issued any bonus shares or any shares for consideration other than cash.

	Year Ended March 31, 2022	Year Ended March 31, 2021
** Includes shares held by Late 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 previous 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:

	Year Ended March 31, 2022	Year Ended March 31, 2021
Anees Yusuf Noorani	-	1,140,927
Salman Yusuf Noorani	-	1,140,927

\$ Mr. Mohamed Yusuf Noorani deceased on November 20, 2019 and the process of obtaining a probate of his Will has been completed on June 30, 2021. Accordingly, the shares are credited to joint account of Mr. Salman Yusuf Noorani and Mr. Anees Yusuf Noorani as Executors to the estate of Late Mr. Mohamed Yusuf Noorani, and remaining 232,875 equity shares are in process of being transferred to the joint account of Mr. Salman Yusuf Noorani and Mr. Anees Yusuf Noorani.

& Percentages are below the rounding off norms adopted by the Company

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

22 Other Equity

	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, 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)
Remeasurements of net defined benefit plans	-	-	-	-	-	73.49	-	-	73.49
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	39.90	-	39.90
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	12.14	12.14
Reclassification to Statement of Profit and Loss (net of 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
Loss for the year	-	-	-	-	-	(988.11)	-	-	(988.11)
Remeasurements of net defined benefit plans	-	-	-	-	-	38.19	-	-	38.19
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	535.29	-	535.29
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	18.65	18.65
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	(12.14)	(12.14)
Total Comprehensive Income for the year	-	-	-	-	-	(949.92)	535.29	6.51	(408.12)
Balance as at March 31, 2022	9,672.52	8.16	15.84	200.00	2,677.51	6,473.12	851.65	18.65	19,917.45

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, 2022

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

23 Non-current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Guaranteed Emergency Credit Line (GECL)	814.53	832.00
Total Non-current borrowings	814.53	832.00
Less: Current maturities of long term debt (included in Note 24)	(277.33)	(18.56)
Less: Interest accrued but not due on borrowings (included in Note 26)	(1.09)	-
Total Non-current borrowings (as per Balance Sheet)	536.11	813.44

Refer Note 45 for liquidity risk

Notes:

Nature of Security and terms of repayment:

- The loan is secured by way of second charge on all current assets of the Company.
- The loan carries an interest rate ranging from 8.25 % p.a./ 9.25 % p.a. (March 31, 2021: 8.25 % p.a. / 9.25% p.a.).
- The loan is repayable in 36 equated monthly instalments starting from the 13th month of their respective drawdown dates. Last installment in due on March 20, 2025.

24 Current Borrowings

	As at March 31, 2022	As at March 31, 2021
From banks (Working Capital Loans):		
Secured		
In Indian Rupees		
- Rupee Packing Credit (RPC)	1,593.85	1,769.39
- Bank Overdraft	1,962.60	1,795.82
From Related Parties:		
Unsecured		
Loans from Directors	383.39	-
Total Current borrowings	3,939.84	3,565.21
Less: Interest accrued but not due on borrowings (included in Note 26)	(7.17)	(4.63)
Current maturities of long term debt (Refer Note 23)	277.33	18.56
Total Current borrowings	4,210.00	3,579.14

Nature of Security and terms of repayment:

Current borrowings from Banks are secured by way of first pari passu charge of all current assets of the Company.

RPC is repayable within 180 days. Effective Interest rate ranging from 3.10% to 6.10 % p.a. (March 31, 2021: 4.25% p.a.)

Bank Overdraft carries rate of interest ranging from 9.10 % p.a. to 9.50 % p.a. (March 31, 2021: 9.10 % to 9.50% p.a.)

Loans from Directors carries rate of interest of 8% p.a. payable on repayment of loan. Loan is repayable on or before December 31, 2022.

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, 2022	As at March 31, 2021
Cash and cash equivalents	34.93	91.36
Current Borrowings (including interest accrued but excluding current maturities of long term debt)	(3,939.84)	(3,565.21)
Non Current Borrowings (including interest accrued and current maturities of long term debt)	(814.53)	(832.00)
Lease liabilities	(2,568.76)	(4,592.58)
Net debt	(7,288.20)	(8,898.43)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including interest accrued)	Current borrowings (Including interest accrued)	Total
Net Debt as at April 01, 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 Concessions	-	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)
Cash flows	(56.43)	674.89	18.56	(372.09)	264.93
Acquisitions - Leases	-	(53.01)	-	-	(53.01)
Termination - Leases	-	1,049.30	-	-	1,049.30
Covid-19 related Rent Concessions	-	352.64	-	-	352.64
Interest expense	-	(270.51)	(72.32)	(262.25)	(605.08)
Interest paid	-	270.51	71.23	281.27	623.01
Interest subvention receivable	-	-	-	(21.56)	(21.56)
Net Debt as at March 31, 2022	34.93	(2,568.76)	(814.53)	(3,939.84)	(7,288.20)

25 Trade payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
- total outstanding dues of micro and small enterprises [Refer Note below]	34.62	54.18
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer Note 43]	200.96	311.04
- Others	2,577.78	1,980.53
Total	2,813.36	2,345.75

Refer Note 45 for information about liquidity risk and market risk of trade payables.

Aging of trade payables:

Undisputed trade payables	Unbilled Dues	Outstanding for following years from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022							
(i) MSME	-	-	28.67	5.95	-	-	34.62
(ii) Others	179.75	985.49	1,512.74	72.85	26.69	1.22	2,778.74
Total	179.75	985.49	1,541.41	78.80	26.69	1.22	2,813.36
As at March 31, 2021							
(i) MSME	-	-	51.71	1.85	0.11	0.50	54.18
(ii) Others	98.30	891.70	1,148.99	127.61	15.09	9.87	2,291.57
Total	98.30	891.70	1,200.70	129.47	15.21	10.38	2,345.75

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:

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	31.77	52.03
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.85	2.15
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	82.91	31.79
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	5.45	11.19
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	2.85	2.15
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	-	-

Note: The above information is based on information available with the Company regarding the registration status of the suppliers as micro and small enterprises under MSMED Act.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

26 Other financial liabilities

Other non-current financial liabilities

	As at March 31, 2022	As at March 31, 2021
Security deposits	28.64	22.83
Total	28.64	22.83
Other current financial liabilities		
Interest accrued but not due on borrowings	8.26	4.63
Unclaimed dividends [Refer Note below]	5.98	10.14
Capital Creditors	81.47	107.14
Book Overdrawn Balance	-	8.04
Total	95.71	129.95

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, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 41)		
- Compensated absences	95.95	85.39
Total	95.95	85.39

28 Other liabilities

Other non-current liabilities	As at March 31, 2022	As at March 31, 2021
Contract liabilities - advance rent	-	10.56
Deferred rent income	22.24	25.65
Total	22.24	36.21
Other current liabilities		
Contract liabilities - advance from customers *	15.31	26.55
Contract liabilities - advance rent	8.61	92.80
Statutory dues payable	108.46	90.59
Employee benefits payable	554.71	459.33
Refund liabilities #	62.00	62.00
Deferred rent income	3.21	9.82
Total	752.30	741.09

* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

Where a customer has a right to return a product within a given period, the Company recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled ₹62 Lakhs (31 March 2021 – ₹62 Lakhs). The Company also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods ₹31 Lakhs (31 March 2021 – ₹31 Lakhs) (Refer Note 19). The costs to recover the products are not material because the customers usually return them in a saleable condition.



Pure Silk Ties



Pure Silk Ties

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

29 Revenue from Operations

	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from contracts with customers		
- Sale of Products	12,159.61	9,611.69
- Sale of Services (Freight and Insurance)	185.32	64.54
Other operating revenue		
- Export Incentives	472.41	314.04
- Process waste sale	6.42	4.70
Total	12,823.76	9,994.97

(i) There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2022 and March 31, 2021.

(ii) Reconciliation of revenue from contracts with customers recognised with contract price:	Year Ended March 31, 2022	Year Ended March 31, 2021
Contract price	12,736.33	9,975.45
Adjustments for:		
Refund liabilities		
- Discounts and Rebates	(132.58)	(76.53)
- Sales returns	(258.82)	(222.69)
Revenue from contract with customers	12,344.93	9,676.23

30 Other income

	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income		
- unwinding of discount on security deposit	58.73	77.66
- income tax refunds	91.77	10.88
- others	1.75	5.08
Dividend Income		
- subsidiary	671.89	675.58
- financial assets measured at fair value through profit or loss	7.73	9.76
- financial assets measured at fair value through Other Comprehensive Income	0.02	0.04
Rent income	202.99	140.15
Net gain on fair value / sale of financial assets measured at fair value through profit or loss *	1,638.48	554.23
Net gain / (loss) on foreign currency transactions and translation	14.57	(30.76)
Covid-19 related Rent Concessions	352.64	1,152.20
Gain on termination / remeasurement / modification of lease contracts	170.23	614.75
Miscellaneous income	27.69	44.92
Total	3,238.49	3,254.49

* Includes unrealised fair value gain of ₹1,414.27 Lakhs, (₹527.56 Lakhs for year ended March 31, 2021)

31 Cost of materials consumed

	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw and packing materials at the beginning of the year	1,905.22	2,227.40
Purchases	4,709.02	3,069.51
Less: Sale of Raw and packing materials	(1.16)	(7.54)
Less: Raw and packing materials at the end of the year	(1,665.04)	(1,905.22)
Total	4,948.04	3,384.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

32 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening 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
Closing inventories		
Finished goods	4,265.90	4,936.90
Stock-in-trade	541.41	608.53
Work-in-progress	164.16	106.08
	4,971.47	5,651.51
Total	680.04	813.89

33 Employee benefits expense

	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages, bonus etc.	3,343.93	3,425.24
Contribution to provident and other funds (Refer Note 41)	272.53	284.71
Gratuity Expenses (Refer Note 41)	63.27	90.39
Staff welfare expenses	60.48	38.12
Total	3,740.21	3,838.46

34 Finance costs

	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense on:		
- Term Loans	72.32	145.73
- Current Borrowings	262.25	259.92
- Lease Payments	270.51	477.68
- Others	11.77	20.30
Total	616.85	903.63

35 Depreciation and amortization expense

	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on property, plant and equipment	688.19	749.38
Depreciation on right-of-use assets	1,042.31	1,471.15
Depreciation on investment properties	33.39	15.94
Amortization on intangible assets	66.13	69.18
Total	1,830.02	2,305.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

36 Other expenses

	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of stores and spares	145.96	97.24
Power and fuel	185.35	173.83
Job Work Charges	257.82	61.95
Insurance	90.46	117.00
Repairs to buildings	72.15	56.19
Repairs to machinery	17.71	7.75
Repairs and Maintenance - Others	270.17	189.78
Rent	588.16	550.76
Electricity Expenses	213.98	163.67
Retail store maintenance expenses	384.88	371.97
Rates and Taxes	215.56	92.09
Advertisement and sales promotion	202.46	182.38
Commission to selling agents	442.65	398.37
Freight and forwarding	986.06	579.92
Trade Mark Fees	48.56	31.86
Legal and Professional Expenses	214.19	207.53
Payments to auditors (Refer Note (i) below)	27.15	29.25
Travelling and Conveyance	214.10	97.94
Director Fees	24.10	23.60
Donations	2.75	19.05
Expenditure incurred for Corporate Social Responsibility (Refer Note (ii) below)	53.11	32.00
Allowance for doubtful debts, loans, advances and deposits etc. (net)	15.00	-
Bad debts, loans, advances, deposits etc. written off	27.87	262.45
Net Loss on sale/discard of property, plant and equipment	73.98	184.19
Bank Charges	107.34	74.46
Security Charges	90.85	94.46
Miscellaneous Expenses	109.22	106.31
Total	5,081.59	4,206.00

Notes:

(i) Payments to auditors:

	Year Ended March 31, 2022	Year Ended March 31, 2021
As auditor:		
Audit fee	20.00	20.00
Limited Review fee	6.00	6.00
Certifications fee	0.75	2.75
Reimbursement of expenses	0.40	0.50
Total	27.15	29.25

(ii) Details of Corporate Social Responsibility (CSR) Expenditure:

	Year Ended March 31, 2022	Year Ended March 31, 2021
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	53.11	32.00
Total	53.11	32.00

* The Company did not have profits in immediately preceeding three financial years and therefore there is no amount required to be spent as per Section 135(5) of the Act in current year and previous year.

(a) Nature of CSR activities - Amount contributed for promoting healthcare including preventive healthcare in both the years.

(b) Related Party transaction for CSR - Nil (Previous year - Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

37 Taxes

i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax		
Expense for the year	113.00	113.30
Total current tax (A)	113.00	113.30
Deferred tax		
Deferred tax credit	(23.07)	(35.20)
Total deferred tax credit (B)	(23.07)	(35.20)
Total tax expense for the year (C) = (A + B)	89.93	78.10
Tax in respect of earlier years (D)	14.42	(3.77)
Total tax expense/(credit) (C + D)	104.35	74.33

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, 2022	Year Ended March 31, 2021
Loss before tax	(883.76)	(2,316.53)
Enacted income tax rate in India	27.82%	27.82%
Tax expenses at enacted income tax rate	(245.86)	(644.46)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	19.18	20.38
Additional deduction for House Property Income under Income Tax	(16.47)	(11.11)
Differential tax rate on Capital gains	(211.23)	(51.65)
Differential tax rate in respect of income from other sources	(74.77)	(75.18)
Deferred tax assets not recognised on business losses	402.08	591.84
Deferred tax assets not recognised on unabsorbed depreciation	-	235.45
Deferred tax assets recognised on unabsorbed depreciation	235.08	-
Others	(18.08)	12.83
Total Tax Expenses	89.93	78.10

iii) Tax Assets

	As at March 31, 2021	As at March 31, 2020
Non-Current Tax Assets (net of provision of ₹2,979.44 Lakhs (As at March 31, 2021 ₹4,094.19 Lakhs))	1,079.44	1,050.47
Current Tax Assets (net of provision of ₹nil (As at March 31, 2021 ₹321.81))	-	234.56
Total	1,079.44	1,285.03

iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022:

	As at April 01, 2020	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2021	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in Other Com- prehensive Income	As at March 31, 2022
Deferred tax assets/(liabilities)							
Provision for employee benefits	33.62	(9.87)	-	23.75	2.94	-	26.69
Loss allowance	125.30	-	-	125.30	4.17	-	129.47
Property, plant and equipment and intangible assets	(537.48)	41.08	-	(496.40)	69.99	-	(426.41)
Lease Liabilities and Right-of-use assets	283.28	(78.87)	-	204.41	(18.00)	-	186.41
Unabsorbed Depreciation	1,566.62	(1.70)	-	1,564.92	456.41	-	2,021.33
Business Losses	-	292.06	-	292.06	(222.19)	-	69.87
Others	100.55	(207.50)	(42.21)	(149.16)	(270.20)	(23.07)	(442.43)
Total	1,571.89	35.20	(42.21)	1,564.88	23.07	(23.07)	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

37 Taxes (Contd...)

	Business Loss			Unabsorbed Depreciation		
Assessment Year (A.Y.)	As at March 31, 2022	As at March 31, 2021	Loss Carried forward for upto A.Y.	As at March 31, 2022	As at March 31, 2021	Loss Carried forward for upto A.Y.
2016 - 17	79.78	79.78	2024 -25	1,193.95	1,193.95	} No Expiry
2017 - 18	1,064.52	1,064.52	2025 -26	1,224.55	1,224.55	
2018 - 19	1,890.73	1,890.73	2026 -27	1,166.48	1,166.48	
2019 - 20	515.46	515.46	2027 -28	1,056.32	1,056.32	
2020 - 21	2,052.63	2,052.63	2028 -29	983.87	983.87	
2021 - 22	3,000.44	3,089.85	2029 -30	871.83	846.34	
2022 - 23	2,243.96	-	2030 -31	768.57	-	
Less - Deferred Tax Recognized	(251.16)	(1,049.82)		(7,265.57)	(5,625.17)	
Unrecognized Amount	10,596.36	7,643.15		-	846.34	

38 Assets pledged as securities

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2022	As at March 31, 2021
Floating Charge		
Current Assets		
Financial Assets		
- Investments	165.66	620.63
- Trade receivables *	1,470.86	1,303.14
- Cash and cash equivalents	34.93	91.36
- Bank Balances other than cash and cash equivalents #	34.03	33.00
- Loans	4.55	44.71
- Others financial assets	109.31	215.49
	1,819.34	2,308.33
Non Financial Assets		
- Inventories	6,747.04	7,692.60
- Other current assets	2,774.98	2,156.73
	9,522.02	9,849.33
Total assets	11,341.36	12,157.66

* Trade Receivables represent receivables excluding related parties trade receivables as per the terms of security.

Excludes Unclaimed dividends - Earmarked balances with banks.

39 Contingent liabilities, Contingent assets and commitments (to the extent not provided for):

		As at March 31, 2022	As at March 31, 2021
i	Contingent Liabilities		
	a) 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
	Others matters	1.29	1.29

b) The Company has leasehold land (perpetual lease) and building thereon at Mumbai which was transferred to Company through amalgamation of Zodiac Finsec Holdings Limited (then wholly owned subsidiary of the Company) with the Company in Financial Year 2017- 18. Zodiac Finsec Holdings Limited was previously known as Multiplex Collapsible Tubes Limited. The Company have during the year initiated the process for transfer of its proportionate share in leasehold land which is situated at Mumbai in the Company's name as lessee. The amount of transfer fees, if any, is presently not ascertainable and cannot be reliably estimated and which will be known on completion of diligence exercise and determination by local authorities.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

		As at March 31, 2022	As at March 31, 2021
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	12.80	25.71
	Less: Capital advances (Refer Note 11)	(12.80)	(23.01)
	Net Capital commitments *	-	2.70
	* Refer Note 39 (i)(b)		
(b)	Investment Commitments related to Venture Capital funds		
	Investment Commitments related to Venture Capital funds	35.93	35.93

Investment commitment: contribution is to be made on “as needed” basis pursuant to drawdown notices issued by the respective funds over commitment period.

In previous year, 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, 2022	Year ended March 31, 2021
Basic & Diluted			
Loss for the year	(A)	(988.11)	(2,390.86)
Weighted average number of equity shares outstanding	(B)	24,759,531	22,527,690
Basic and Diluted Loss Per Share (₹)	(A / B)	(3.99)	(10.61)
Nominal value per equity shares (in ₹)		10	10

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. 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, 2022 and March 31, 2021, amounts recognised in the Standalone financial statements in respect of Employee Benefits Scheme:

A Amount recognised in the Balance Sheet

	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	952.59	981.30
Fair value of plan assets	(976.63)	(996.60)
(Net plan surplus) / Net plan liability	(24.04)	(15.30)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

B Movement in plan assets and liabilities

	Year ended March 31, 2022			Year ended March 31, 2021		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
As at 1st April	996.60	981.30	15.30	1,115.56	1,129.11	(13.55)
Current service cost	-	64.26	(64.26)	-	89.57	(89.57)
Interest cost	-	63.19	(63.19)	-	68.20	(68.20)
Interest income	64.18	-	64.18	67.38	-	67.38
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(1.16)	1.16	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(33.96)	33.96	-	(27.96)	27.96
Actuarial (gain)/loss arising from experience adjustments	-	(4.09)	4.09	-	(44.22)	44.22
Return on plan assets excluding actual return of plan assets	(1.02)	-	(1.02)	1.31	-	1.31
Employer contributions	33.82	-	33.82	45.75	-	45.75
Benefit payments	(116.95)	(116.95)	-	(233.40)	(233.40)	-
As at 31st March	976.63	952.59	24.04	996.60	981.30	15.30

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2022	As at March 31, 2021
Active members (in nos.)	1,237	1,174
Retired Members (in nos.)	57	37
The weighted average duration of the defined benefit obligations	8 years	8 years
Expected contribution to the Fund in next year (₹ in lakhs)	38.72	48.96

C Statement of Profit and Loss

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefits Expense:		
Current service cost	64.26	89.57
Net Interest expense/(income)	(0.99)	0.82
Amount recognised in Standalone Statement of Profit and Loss	63.27	90.39
Remeasurements of the net defined benefits liability:		
Actuarial gain arising from changes in demographic assumptions	(1.16)	-
Actuarial gains arising from changes in financial assumptions	(33.96)	(27.96)
Experience gains	(4.09)	(44.22)
Return on plan assets excluding actual return on plan assets	1.02	(1.31)
Amount recognised in Other Comprehensive Income	(38.19)	(73.49)

Total impact of remeasurement of net defined benefit plan expense recognised through Other Comprehensive Income as at March 31, 2022 and included in Retained earnings is ₹87.84 lakhs (Previous Year: ₹126.03 lakhs)

D Assets

	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Insurer managed Fund	976.63	996.60
Total	976.63	996.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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:

	As at March 31, 2022	As at March 31, 2021
Financial Assumptions		
Discount rate	6.96%	6.44%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	6.96%	6.44%
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 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.

* Taking into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14) Indian Assured Lives Mortality (2006-08)
Urban table Ultimate table

F Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

		As at March 31, 2022		As at March 31, 2021	
	Change in assumption	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%	(59.36)	67.42	(63.72)	72.89
Salary Escalation Rate	1%	64.18	(57.92)	69.97	(62.73)
Attrition Rate	1%	9.15	(10.28)	7.56	(8.53)

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.

G. The defined benefit obligations shall mature after the end of reporting period is as follows:

	As at March 31, 2022	As at March 31, 2021
1st Following Year	90.06	106.28
2nd Following Year	76.37	82.67
3rd Following Year	118.93	80.78
4th Following Year	92.16	111.42
5th Following Year	66.12	85.95
Sum of Years 6 to 10	466.52	441.49
Thereafter	796.73	812.64

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 ₹95.95 lakhs (as at March 31, 2021: ₹85.39 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement of these obligations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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 ₹272.53 lakhs (Previous year ₹284.71 lakhs) in the Standalone 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.

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, 2022	March 31, 2021
(i) Zodiac Clothing Company S. A.	Switzerland	100	100
(ii) 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
(iv) Zodiac Clothing Company INC. (w.e.f. May 11, 2021) (Subsidiary of (ii) above)	USA	100	-

Other related parties:

- (b) Key Management Personnel:

Mr. A. Y. Noorani	Non Executive Director
Mr. S. Y. Noorani	Managing Director
Mr. V. M. Apte	Independent Director
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
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- (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
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.

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2. Transactions carried out with related parties referred in

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* 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	Year ended March 31, 2021
Revenue from contracts with customers:		
- Zodiac Clothing Co (U.A.E.) LLC	454.73	472.21
- Zodiac Clothing Company INC.	313.97	-
- Zodiac Metropolitan Clothing Gmbh	1,415.41	1,625.44
- Mashal Enterprises	41.53	18.36
Other Income:		
Rent		
- Metropolitan Trading Company	9.00	9.00
Dividend Income		
- Zodiac Clothing Company S.A.	671.89	675.58
Expenses:		
Employees benefit expenses		
- Mr. Awais A. Noorani	44.88	47.21
Interest expense		
- Mr. M. Y. Noorani \$	-	6.36
- Mr. A. Y. Noorani	2.23	73.04
- Mr. S. Y. Noorani	3.98	58.13
Rent Expense		
- Metropolitan Trading Company	92.01	130.32
- Munraz Enterprises	16.41	17.12
- Mustang Manufacturing Company	7.08	5.90
- Montage Corporation	1.04	0.80
- Mr. M. Y. Noorani \$	-	0.61
- Mr. A. Y. Noorani	7.47	4.65
- Mr. S. Y. Noorani	7.46	4.66
Commission to selling agents		
- Zodiac Metropolitan Clothing Gmbh	130.62	195.47
Director Fees		
- Mr. V. M. Apte	6.80	5.80
- Mr. Y. P. Trivedi	6.40	5.90
- Mr. S. R. Iyer	6.80	6.30
- Mr. Bernhard Steunruecke	2.40	2.40
- Mr. Naushad Forbes	1.20	2.20
- Ms. Elizabeth Jane Hulse	0.50	1.00
Trade Mark Fees		
- Metropolitan Trading Company	48.56	31.86
Others		
Reimbursement of Expenses from		
- Zodiac Clothing Co (U.A.E.) LLC	-	0.67
- Mashal Enterprises	6.07	12.21
Reimbursement of Expenses to		
- Metropolitan Trading Company	-	2.60
- Munraz Enterprises	4.51	4.67
- Montage Corporation	-	0.06
Gratuity Fund contribution		
- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	33.82	45.75
Loan Received		
- Mr. A. Y. Noorani	128.25	72.05
- Mr. S. Y. Noorani	250.00	190.60
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. A. Y. Noorani	-	1,250.00
- Mr. S. Y. Noorani	-	1,250.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	As at March 31, 2021
Outstandings:		
Non-current borrowings		
- Mr. A. Y. Noorani	128.25	-
- Mr. S. Y. Noorani	250.00	-
Trade Payables		
- Zodiac Clothing Co (U.A.E.) LLC.	12.68	32.63
- Zodiac Metropolitan Clothing Gmbh	26.70	268.90
- Metropolitan Trading Company	120.90	7.79
- Munraz Enterprises	21.78	-
- Montage Corporation	1.01	-
- Mustang Manufacturing Company	3.78	-
- Mr. A. Y. Noorani - Payable for Rent	7.37	0.86
- Mr. S. Y. Noorani - Payable for Rent	6.74	0.86
Other Current Liabilities - Employee benefits payable		
- Mr. S. Y. Noorani - Remuneration	79.14	79.14
Other Current Financial Liabilities - Interest accrued but not due		
- Mr. A. Y. Noorani - Payable for Interest	1.56	-
- Mr. S. Y. Noorani - Payable for Interest	3.58	-
Security Deposit		
- Metropolitan Trading Company	115.00	115.00
- 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	490.81	368.42
- Zodiac Clothing Company INC.	81.21	-
- Mashal Enterprises	2.99	2.58

Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his Will has been completed on June 30, 2021.

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)(b) 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, current loans, 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 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, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2022	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	Level 3	Total
Financial Assets											
Investments											
- Equity instruments *	1,058.50	-	1,058.50	-	-	-	-	1,058.50	-	-	1,058.50
- Mutual funds	-	165.66	165.66	165.66	-	-	165.66	-	-	-	165.66
- Venture capital fund	3,784.00	-	3,784.00	-	-	3,784.00	3,784.00	-	-	-	3,784.00
	4,842.50	165.66	5,008.16	165.66	-	3,784.00	3,949.66	1,058.50	-	-	5,008.16
Other Assets											
- Loans to Employees	9.83	4.55	14.38	-	-	-	-	-	-	14.38	14.38
- Derivative financial instruments	-	38.36	38.36	-	12.52	-	12.52	-	25.84	-	38.36
- Other Financial Assets	1,104.14	70.95	1,175.09	-	-	-	-	-	-	1,175.09	1,175.09
- Trade receivable	-	2,045.87	2,045.87	-	-	-	-	-	-	2,045.87	2,045.87
- Cash and Cash equivalents	-	34.93	34.93	-	-	-	-	-	-	34.93	34.93
- Bank Balances other than cash and cash equivalents	-	40.01	40.01	-	-	-	-	-	-	40.01	40.01
	1,113.97	2,234.67	3,348.64	-	12.52	-	12.52	-	25.84	-	3,310.28
Financial Liabilities											
- Borrowings	536.11	4,210.00	4,746.11	-	-	-	-	-	-	4,746.11	4,746.11
- Other Financial Liabilities	28.64	95.71	124.35	-	-	-	-	-	-	124.35	124.35
- Trade Payables	-	2,813.36	2,813.36	-	-	-	-	-	-	2,813.36	2,813.36
	564.75	7,119.07	7,683.82	-	-	-	-	-	-	7,683.82	7,683.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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	Level 3	Total		
Financial Assets													
Investments													
- Equity instruments *	502.74	-	502.74	-	-	-	-	502.74	-	-	502.74	-	502.74
- Mutual funds	-	620.63	620.63	620.63	-	-	620.63	-	-	-	-	-	620.63
- Venture capital fund	2,498.10	-	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
- Derivative financial instruments	-	25.31	25.31	-	8.59	-	8.59	-	16.72	-	16.72	-	25.31
- Other Financial Assets	1,124.08	190.18	1,314.26	-	-	-	-	-	-	-	-	1,314.26	1,314.26
- 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	-	16.72	3,167.61	3,192.92
Financial Liabilities													
- Borrowings	813.44	3,579.14	4,392.58	-	-	-	-	-	-	-	-	4,392.58	4,392.58
- Other Financial Liabilities	22.83	129.95	152.78	-	-	-	-	-	-	-	-	152.78	152.78
- 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, 2022

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

(ii) Financial instruments at amortised cost for which fair values is disclosed:

Foreign currency	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
- Loans to Employees	14.38	13.19	44.71	41.02
- Security Deposits	1,126.03	1,223.25	1,253.08	1,496.88
Total	1,140.41	1,236.44	1,297.79	1,537.90

* The above disclosure excludes non-current investment in subsidiary that is accounted at cost and hence not considered.

(iii) 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.

(iv) 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, 2022 and March 31, 2021:

	Venture Capital Fund*
As at April 01, 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
Acquisitions	-
Disposal	(333.10)
Gain recognised in statement of profit and loss	1,619.00
As at March 31, 2022	3,784.00

*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)]

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	As at March 31, 2021
Total Borrowings	4,746.11	4,392.58
% of Borrowings out of above bearing variable rate of interest	74.78%	81.06%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2021-2022	2020-2021
50 bp increase- increase in loss *	17.75	17.80
50 bp decrease- decrease in loss *	(17.75)	(17.80)

* 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 different 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, 2022

(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, 2022		As at March 31, 2021	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	35.64	-	19.63	-
Forward Contracts EURO	2.34	-	7.34	-
Forward Contracts GBP	6.72	-	6.89	-
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, 2022			As at March 31, 2021			
	USD	EURO	GBP	USD	EURO	GBP	HKD
Trade payables	5.29	0.04	**	3.35	**	0.02	0.02

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	USD	EURO	GBP	USD	EURO	GBP
Trade Receivables	6.16	0.93	2.71	3.46	0.37	1.24

** 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	2021-22		2020-21	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(3.31)	3.31	(0.41)	0.41
EURO	(3.77)	3.77	(1.59)	1.59
GBP	(13.50)	13.50	(6.18)	6.18
HKD	-	-	0.01	(0.01)
Increase / (decrease) in loss	(20.58)	20.58	(8.17)	8.17

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, 2022

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

Particulars	Impact on Other Comprehensive Income	
	March 31, 2022	March 31, 2021
BSE Sensex 30- Increase 10%	105.85	50.27
BSE Sensex 30- Decrease 10%	(105.85)	(50.27)

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.

- (ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) / fair market value (FMV) of Company's investment in venture capital fund units and statement of profit and loss for the year arising from portfolio of investment in venture capital funds. The analysis is based on the assumption that the NAV / FMV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's venture capital funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2022	March 31, 2021
- Increase 10%	378.40	249.81
- Decrease 10%	(378.40)	(249.81)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

- (iii) The table below summarises the impact of increases/decreases in the net asset value (NAV) of Company's investment in mutual fund units and statement of profit and loss for the year arising from portfolio of investment in mutual funds. The analysis is based on the assumption that the NAV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's mutual funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2022	March 31, 2021
- Increase 10%	16.57	62.06
- Decrease 10%	(16.57)	(62.06)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(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 and security deposits for rental premises 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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, 2022

Ageing	Total
Gross carrying amount	580.13
Expected Credit loss - measured at life -time expected credit loss	413.60
Carrying amount of trade receivables (net of impairment)	166.53

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

Reconciliation of loss allowance – Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Opening provision	398.60	398.60
Add:- Additional provision made	15.00	-
Less:- Provision write off/ reversed	-	-
Less:- Provision utilised against bad debts	-	-
Closing provisions	413.60	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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	As at March 31, 2021
Floating Rate		
Expiring within one year (Current Borrowing facilities)	1,445.58	939.42
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, 2022				As at March 31, 2021			
	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)	277.33	536.11	-	813.44	18.56	813.44	-	832.00
Current borrowings	3,932.67	-	-	3,932.67	3,560.58	-	-	3,560.58
Total	4,210.00	536.11	-	4,746.11	3,579.14	813.44	-	4,392.58

Maturity patterns of Financial Liabilities - other than borrowings

As at March 31, 2022	0 - 3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	1,998.13	815.23	-	-	2,813.36
Lease Liabilities	453.69	180.45	351.95	3,079.96	4,066.05
Other Financial Liabilities	89.73	-	5.98	28.64	124.35
Total	2,541.55	995.68	357.93	3,108.60	7,003.76

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	918.38	337.14	629.12	5,338.85	7,223.49
Other Financial Liabilities	119.81	-	10.14	22.83	152.78
Total	2,568.71	1,152.37	639.26	5,361.68	9,722.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022:

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	2,504.75	25.84	1:1	25.84	25.84

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

(b) Disclosure of effects of hedge accounting on financial performance:

Cash flow hedge March 31, 2022

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	25.84	-	(14.08)	Revenue
Foreign exchange risk - Options contracts	-	-	(2.64)	Revenue
	25.84	-	(16.72)	

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	2.64	-	-	Revenue
	16.72	-	93.15	

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, 2022

(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, 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
Change in fair value of foreign exchange forward contract	25.84	-	-	25.84
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(14.08)	-	(2.64)	(16.72)
Deferred tax relating to the above (net)	(3.33)	-	0.72	(2.61)
Balance – As at March 31, 2022	18.65	-	-	18.65

Amount in bracket represents expense/ loss

46 Capital 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.

- 47** 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.

48 Impact of COVID-19

The State Government authorities had imposed various restrictions to control the spread of COVID-19 pandemic during the year which had impacted the operations of the Company, however, with the subsequent easing of restrictions by State government authorities, the Company's activities (including retail stores) have since been fully operational.

The Company's Management has done an assessment of the current 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, 2022, and concluded that there are no material adjustments required in the standalone financial results. However, the impact assessment due to COVID-19 is a continuing process and the Company will continue to monitor any material changes as the situation evolves.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

49 Additional Regulatory Information as required by Schedule III:**a) Ratios:**

Sr. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
(i)	Current ratio	Total current assets	Total current liabilities	1.36	1.52	-11%
(ii)	Debt-Equity ratio (in times)	Total Debt (Non Current and Current- Borrowings and Lease Liabilities)	Total equity	0.33	0.39	-17%
(iii)	Debt Service Coverage ratio	Earning for Debt Service = Loss for the year + Depreciation and ammortisation expenses + Finance cost	Debt service = Finance cost + Principal repayment of lease liabilities and borrowing	1.11	0.22	405%
(iv)	Return on Equity ratio (%)	Loss for the year	Average total equity	-4.37%	-10.56%	-59%
(v)	Inventory turnover ratio	Cost of goods sold= Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress	Average inventories	0.79	0.52	51%
(vi)	Trade Receivables turnover ratio	Revenue from operations (excluding export incentives)	Average trade receivables	6.64	5.92	12%
(vii)	Trade payables turnover ratio	Purchase of Raw Materials+ Purchases of stock-in-trade+ Other expenses	Average trade payables	3.81	3.21	19%
(viii)	Net capital turnover ratio	Revenue from operations	Average working capital	3.39	2.45	39%
(ix)	Net profit ratio (%)	Loss for the year	Total Income	-6.15%	-18.04%	-66%
(x)	Return on capital employed (%)	Earning before interest and taxes	Capital employed = Tangible Net Worth (Total equity) + Total Debt	-0.90%	-4.44%	-80%
(xi)	Return on investment (%)	Net gain on fair value / sale of financial assets measured at fair value through profit or loss + Equity Instruments through Other Comprehensive Income	Average investments (Non-current and Current)	50.85%	18.79%	171%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Reasons for variance of more than 25% in above ratios -

Sr. No.	Ratio	Reasons for the Variances
(a)(1)	Debt Service Coverage ratio	Earnings for debt service improved due to post Covid-19 recovery and lower debt repayment in current year as compared to previous year.
(a)(2)	Return on Equity ratio	The change in ratio compared to previous year is due to decrease in loss for the year*.
(a)(3)	Inventory turnover ratio	The change in ratio compared to previous year is due to increase in sales on account of post Covid-19 recovery and focus of management on reducing the inventory levels.
(a)(4)	Net capital turnover ratio	The change in ratio compared to previous year is due to increase in sales on account of post Covid-19 recovery and focus of management on reducing the working capital levels.
(a)(5)	Net profit ratio	The change in ratio compared to previous year is due to decrease in loss for the year*.
(a)(6)	Return on capital employed	The change in ratio compared to previous year is due to decrease in loss for the year* and reduction in lease liabilities in current year as compared to previous year.
(a)(7)	Return on investment	Due to better returns on investment in venture fund and equity instruments.

* Loss for the year- Loss has been reduced due to increase in revenue on account of lesser impact of Covid-19 in current year as compared to previous year and due to better returns on investment in venture funds.

b) Borrowing secured against current assets:

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts except for the following statements in below table:

Name of the Bank	Nature of current Asset offered as Security	Quarter ended	Amount reported as per quarterly return / statement * (A)	Amount as per books of accounts * (B)	Difference (A-B)	Reason for difference
Citi Bank, RBL and HDFC Bank	All Current Assets	June 30, 2020	9,935.68	11,014.27	(1,078.60)	Refer note below
		September 30, 2020	10,400.13	11,264.13	(864.01)	
		December 31, 2020	10,143.62	10,628.29	(484.66)	
		March 31, 2021	9,935.37	10,222.60	(287.23)	
RBL and HDFC Bank	All Current Assets	June 30, 2021	9,069.45	9,926.03	(856.58)	Refer note below
		September 30, 2021	9,120.68	9,952.61	(831.93)	
		December 31, 2021	9,317.17	10,110.33	(793.16)	

* Aggregate amount comprises of Inventories, Trade Receivables, Export Benefit Receivables and Refund Receivables of Goods and Services Tax. Further, the return/ statement for the quarter ended March 31, 2022, is yet to be submitted by the Company.

Note: Amounts reported in the quarterly statements submitted to the banks are lower than the balance as per unaudited books of accounts and consideration of such reporting was to cover at a minimum the security requirements as specified in the sanction letters.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

c) Title deeds of immovable properties not held in name of the Company:

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company except given below -

Property Description	Gross Carrying Value	Held in the name of *	Whether Promoter, Director or their relative or employee	Period held	Reason for not being in the Company's name
“Property, Plant and Equipment: Building (“Nylloc House”) and underlying leasehold land”	2,395.05	Multiplex Collapsible Tubes Limited Mr. Pradeep Shroff and Mr. Naleen Thakkar (as lessee)	None	Since March 2018	Acquired pursuant to scheme of amalgamation. Management has initiated the process of getting the name transferred in Company's name
Investment Property: Building (portion of Nylloc House)	736.89	Multiplex Collapsible Tubes Limited			
Right of Use Assets: Leasehold land (pertaining to factory at Umbergaon)	1.69	Merino Knitting Industries	None	Since August 2003	

d) The other matters as required under paragraph “L - Additional Regulatory Information” under Part I of Division II of Schedule III of the Companies Act, 2013 and Paragraph 7(l) and 7(n) of Part II of Division II of Schedule III to Companies Act 2013 are either not applicable or there are no reportable matters.

50 These standalone financial statements were authorised for issue by the directors on May 30, 2022.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sachin Parekh

Partner

Membership No. 107038

Mumbai

May 30, 2022

For and on behalf of the Board of Directors**A. Y. NOORANI**

Chairman

DIN: 00041608

S. Y. NOORANI

Vice Chairman and Managing Director

DIN: 00068423

B. MAHABALA

Chief Financial Officer

KUMAR IYER

Company Secretary

Mumbai

May 30, 2022

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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, 2022, 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 (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, 2022, 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 the Institute of Chartered Accountants of India 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 section 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 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 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 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 ₹11,232.44 Lakhs as at March 31, 2022 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 was 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 professional 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, 2022.</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 for 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, 2022. 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>We have performed audit procedures including 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, unabsorbed business loss 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 standalone 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 annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged

with governance and take appropriate action as applicable under the relevant laws and regulations.

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 term 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
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 consolidated financial statements in place and the

operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 four subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of Rs 3,635.26 lakhs and net assets of Rs 3,079.27 lakhs as at March 31, 2022, total revenue of Rs. 720.32 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs (69.52) lakhs and net cash outflows amounting to Rs 774.76 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 paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued in respect of the standalone financial statements of the Holding Company. According to the information and explanations given to us, CARO 2020 is not applicable to any of the subsidiaries included in these Consolidated Financial Statements.
17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, 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 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.
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2022 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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 37(i) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year.
 - iv. (a) The Management of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(b) to the consolidated financial statements).
 - (b) The Management of the Holding Company whose

financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(b) to the consolidated financial statements).

- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. The Holding Company has not declared or paid any dividend during the year.

- 18. 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
Partner

Place : Mumbai
Date : May 30, 2022

Membership Number: 107038
UDIN: 22107038AJWIUB8081

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Zodiac Clothing Company Limited on the consolidated financial statements for the year ended March 31, 2022

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, 2022, we have audited the internal financial controls with reference to financial statements of Zodiac Clothing Company Limited (hereinafter referred to as "the Holding Company"), as of that date. Since all the subsidiaries are incorporated outside India, the 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 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 ("the Guidance Note") 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 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 Holding Company's internal financial controls system with reference to consolidated 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 17(f) of the Independent Auditor's Report of even date to the members of Zodiac Clothing Company Limited on the consolidated financial statements for the year ended March 31, 2022

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.

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of our 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, 2022, based on the internal control

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

Sachin Parekh
Partner

Place : Mumbai
Date : May 30, 2022

Membership Number: 107038
UDIN: 22107038AJWIUB8081

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Balance Sheet as at March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	ASSETS			
1	Non-current assets			
	Property, plant and equipment	4(a)	9,274.81	9,955.35
	Right-of-use assets	4(c)	1,898.70	3,857.84
	Capital work - in - progress	4(b)	261.86	128.34
	Investment properties	5	1,129.15	1,132.18
	Intangible assets	6	152.25	162.42
	Financial assets			
	- Investments	7	4,914.84	3,000.84
	- Loans	8	1,173.60	-
	- Others financial assets	9	1,128.42	1,148.00
	Deferred tax assets (net)	35	1,564.88	1,564.88
	Non - Current tax assets (net)	35	1,079.44	1,050.47
	Other non - current assets	10	541.73	655.01
	Total non-current assets		23,119.68	22,655.33
2	Current assets			
	Inventories	11	6,927.95	7,692.60
	Financial assets			
	- Investments	12	165.66	620.63
	- Trade receivables	13	2,161.80	1,793.71
	- Cash and cash equivalents	14	891.97	1,723.16
	- Bank Balances other than cash and cash equivalents	15	40.01	44.93
	- Loans	16	4.55	1,269.73
	- Others financial assets	17	127.52	273.82
	Current tax assets (net)	35	-	234.56
	Other current assets	18	2,844.74	2,190.49
	Total current assets		13,164.20	15,843.63
	TOTAL ASSETS		36,283.88	38,498.96
II	EQUITY AND LIABILITIES			
1	Equity			
	Equity share capital	19	2,475.95	2,475.95
	Other equity	20	22,158.14	23,136.64
	Total Equity		24,634.09	25,612.59
2	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Borrowings	21	536.11	813.44
	- Lease Liabilities	4(c)	1,782.25	3,089.38
	- Other financial liabilities	24	28.64	22.83
	Provisions	25	9.15	5.12
	Deferred tax liabilities	35	429.01	540.91
	Other non-current liabilities	26	22.24	36.21
	Total non-current liabilities		2,807.40	4,507.89
	Current liabilities			
	Financial liabilities			
	- Borrowings	22	4,210.00	3,579.14
	- Lease Liabilities	4(c)	786.51	1,503.20
	- Trade payables	23		
	- total outstanding dues of micro and small enterprises		34.62	54.18
	- total outstanding dues of creditors other than micro and small enterprises		2,805.16	2,276.44
	- Other financial liabilities	24	99.68	133.74
	Provisions	25	96.60	89.28
	Other current liabilities	26	809.82	742.50
	Total current liabilities		8,842.39	8,378.48
	Total liabilities		11,649.79	12,886.37
	TOTAL EQUITY AND LIABILITIES		36,283.88	38,498.96
	Significant Accounting Policies	2		

The accompanying notes (1 - 50) 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 & Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

Sachin Parekh

Partner

Membership No. 107038

Mumbai

May 30, 2022

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Mumbai

May 30, 2022

ZODIAC CLOTHING COMPANY LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	INCOME			
	Revenue from operations	27	12,665.20	10,009.84
	Other income	28	2,671.22	2,740.66
	Total Income		15,336.42	12,750.50
II	EXPENSES			
	Cost of materials consumed	29	4,948.04	3,384.15
	Purchases of stock-in-trade		101.09	136.26
	Changes in inventories of finished goods, stock-in-trade and work-in progress	30	499.13	814.68
	Employee benefits expense	31	3,766.87	3,862.94
	Finance costs	32	616.85	903.71
	Depreciation and amortization expense	33	1,857.41	2,338.51
	Other expenses	34	5,193.44	4,286.51
	Total expenses		16,982.83	15,726.76
III	Loss before tax		(1,646.41)	(2,976.26)
IV	Tax expense	35		
	Current tax		113.00	113.30
	Deferred tax		(134.97)	(147.61)
	Tax in respect of earlier years		12.42	(3.77)
	Total Tax expense		(9.55)	(38.08)
V	Loss for the year		(1,636.86)	(2,938.18)
VI	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of net defined benefit plans	39	38.19	73.49
	- Equity Instruments through Other Comprehensive Income		555.75	51.62
	- Income tax relating to above items		(20.46)	(11.72)
	(ii) Items that may be reclassified to profit or loss			
	- Debt Instruments through Other Comprehensive Income		(32.04)	-
	- Net gains/(losses) on cash flow hedges		9.12	85.11
	- Exchange differences on translation of foreign operations		110.41	(26.55)
	- Income tax relating to above items		(2.61)	(30.49)
	Other Comprehensive Income for the year, net of tax		658.36	141.46
VII	Total Comprehensive Loss for the year		(978.50)	(2,796.72)
VIII	Loss attributable to:			
	Owners of the Company		(1,636.86)	(2,938.18)
	Non Controlling Interest		-	-
IX	Other comprehensive income attributable to:			
	Owners of the Company		658.36	141.46
	Non Controlling Interest		-	-
X	Total comprehensive loss attributable to:			
	Owners of the Company		(978.50)	(2,796.72)
	Non Controlling Interest		-	-
XI	Loss per equity share of ₹ 10 each	38		
	Basic (₹)		(6.61)	(13.04)
	Diluted (₹.)		(6.61)	(13.04)
	Significant Accounting Policies	2		

The accompanying notes (1 - 50) 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

Sachin Parekh

Partner

Membership No. 107038

Mumbai

May 30, 2022

For and on behalf of Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai

May 30, 2022

S. Y. NOORANI

Vice Chairman & Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

ZODIAC CLOTHING COMPANY LIMITED
Statement of Consolidated Cash Flows for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(1,646.41)	(2,976.26)
Adjustments for:		
Depreciation and amortization expenses	1,857.41	2,338.51
Finance costs	616.85	903.71
Net unrealised exchange gain on foreign currency translation / transaction	(33.08)	(29.86)
Dividend Income	(7.75)	(9.80)
Rent income	(202.99)	(140.15)
Unwinding of discount on security deposits	(58.73)	(77.66)
Interest income	(101.52)	(18.98)
Net gain on fair value / sale of financial assets measured at fair value through profit or loss	(1,638.48)	(554.23)
Allowance for doubtful debts, loans and deposits	15.00	-
Bad debts, loans, advances, deposits etc. written off	31.61	266.14
Covid-19 related Rent Concessions	(352.64)	(1,152.20)
Gain on termination / remeasurement / modification of lease contracts	(170.23)	(614.75)
Net Loss on sale/discard of property, plant and equipment	72.51	192.16
Operating loss before working capital changes	(1,618.45)	(1,873.37)
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(470.49)	478.13
Decrease in inventories	764.65	1,130.10
Increase / (Decrease) in trade and other payables	653.96	(546.76)
Increase in provisions	49.54	26.74
Less: Direct taxes (paid) / refunds received (net)	(620.79)	(785.16)
Net cash flows (used in) / generated from operating activities	(540.62)	(854.86)
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of property, plant and equipment	7.90	37.59
Interest received	101.29	14.66
Rent Received	108.24	243.51
Sale proceeds of non-current investments	333.10	396.45
Sale proceeds of current investments (Net)	474.32	-
Dividend received	7.75	9.80
Proceeds of Sale of Investments in Subsidiary (sold in earlier year)	39.87	523.18
Loan received back	61.25	95.18
Proceeds from Term Deposits (Net)	0.77	230.61
	1,134.49	1,550.98
Outflows		
Purchase of property, plant and equipment/ intangible assets	(364.54)	(153.47)
Purchase of current investments (Net)	-	(425.33)
Purchase of non-current investments	(104.38)	(158.98)
	(468.92)	(737.78)
Net cash generated from investing activities	665.57	813.20
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from issue of equity shares (including securities premium) / share warrants	-	2,500.00
Proceeds from non-current borrowings	-	1,094.65
Proceeds towards loan from directors	378.25	-
	378.25	3,594.65
Outflows		
Repayment of non-current borrowings	(18.56)	(2,013.94)
Repayment of current borrowings (net)	(6.16)	(738.04)
Payment of Principal portion of lease liabilities	(674.89)	(77.46)
Interest paid on lease liabilities	(270.51)	(477.68)
Interest paid on others	(364.27)	(448.48)
	(1,334.39)	(3,755.60)
Net cash used in financing activities	(956.14)	(160.95)
Net increase / (decrease) in cash and cash equivalents	(831.19)	(202.61)
Add : Cash and cash equivalents at beginning of the year	1,723.16	1,925.77
Cash and cash equivalents at end of the year	891.97	1,723.16
Non-cash financing and investing activities	“Year Ended 31st March, 2022”	“Year Ended 31st March, 2021”
Acquisition of right-of-use assets	53.01	342.50
Cash and cash equivalents as per above comprises of the following	“ As at March 31, 2022”	“ As at March 31, 2021”
Cash on hand	4.73	2.66
Balances with Banks	887.24	1,720.50
Total	891.97	1,723.16

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 - 50) 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

Sachin Parekh

Partner

Membership No. 107038

Mumbai

May 30, 2022

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For and on behalf of Board of Directors

A. Y. NOORANI

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai

May 30, 2022

S. Y. NOORANI

Vice Chairman & Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

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

(ALL AMOUNTS ARE IN ₹ LAKHS, UNLESS OTHERWISE STATED)

A. Equity Share Capital

	Notes	Amount
As at April 01, 2020		2,247.77
Changes in equity share capital	19	228.18
As at March 31, 2021		2,475.95
Changes in equity share capital	19	-
As at March 31, 2022		2,475.95

B. Other Equity

Particulars	Securities Premium	Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	Other Comprehensive Income (OCI)				Total
								FVOCI - Equity Instruments	FVOCI - Debt Instruments	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	
Balance as at April 01, 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)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(26.55)	(26.55)
Remeasurements of defined benefit obligation	-	-	-	-	-	-	73.49	-	-	-	-	73.49
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	39.90	-	-	-	39.90
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	12.14	-	12.14
Reclassification to Statement of Profit and Loss (net of 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:	2,271.82	-	-	-	-	-	-	-	-	-	-	2,271.82
Premium Received on Issue of Equity Shares	-	-	-	-	-	-	-	(185.18)	-	-	-	-
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	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
Balance as at March 31, 2021	-	-	-	-	-	-	(1,636.86)	-	-	-	-	(1,636.86)
Loss for the year	-	-	-	-	-	-	-	-	-	-	110.41	110.41
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurements of defined benefit obligation	-	-	-	-	-	-	38.19	-	-	-	-	38.19
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	535.29	-	-	-	535.29
Changes in fair value of Debt instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	(32.04)	-	-	-	(32.04)
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	18.65	-	18.65
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	(12.14)	-	(12.14)
Total Comprehensive Income for the year	-	-	-	-	-	-	(1,598.67)	535.29	(32.04)	-	110.41	(978.50)
Balance as at March 31, 2022	9,672.52	8.16	15.84	200.00	17.98	2,693.15	8,018.46	851.65	(32.04)	18.65	693.77	22,158.14

The accompanying notes (1 - 50) 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

May 30, 2022

S. Y. NOORANI

Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

Sachin Parekh

Partner

Membership No. 107038

Mumbai

May 30, 2022

1 Background and Operations

Zodiac Clothing Company Limited ('the Parent Company' or 'the Holding 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 liquidity position of the Group (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 amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The Company has applied extension of 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) Reclassifications consequent to amendments to Schedule III to the Act

"The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures

to users of financial statements. These amendments are effective from April 1, 2021. Consequent to above, the Group has changed the classification / presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year. The current maturities of long-term borrowings has now been included in the 'Current borrowings' line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item. Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item." The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)"	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Other financial liabilities (current)	152.30	(18.56)	133.74
Borrowings (Current)	3,560.58	18.56	3,579.14
Loans (non-current)	1,147.00	(1,147.00)	-
Other financial assets (non-current)	1.00	1,147.00	1,148.00
Loans (current)	1,412.89	(143.16)	1,269.73
Other financial assets (current)	130.66	143.16	273.82

(vi) 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.

(vii) 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 assets.

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, 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 assets are depreciated on straight line basis over the following useful life:

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 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.

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.

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. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Covid-19-Related Rent Concessions:

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116- Leases, by inserting a practical expedient on "Covid19-Related Rent Concessions" and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022. 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, 2022,
- 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 expected 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 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.

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 transferred 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. In case of sale of goods where transportation of goods is considered as separate obligation, freight and insurance recovered is considered as sale of services.

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) 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 at year end by actuary 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.

(iii) 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.

(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 substantively 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 has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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, 2022

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

4(a) Property, Plant and Equipment

	Freehold Land	Buildings	Leasehold Improvement	Plant & Machinery	Furniture & fixtures	Vehicles	Office equipment	Computer	Electrical Installation	Total
Gross Carrying Amount										
Balance as at April 01, 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 (v) below)"	45.94	411.21	-	-	-	-	-	-	-	457.15
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
Additions	-	-	75.99	2.48	12.76	-	1.08	0.66	43.97	136.94
Disposals	-	-	239.72	48.10	69.19	-	11.10	30.87	38.88	437.86
"Reclassified to Investment Property (Refer Note (vi) below)"	-	43.40	-	-	-	-	-	-	-	43.40
Balance as at March 31, 2022	362.47	3,015.27	2,194.27	3,661.91	2,813.68	58.32	659.89	203.16	888.42	13,857.39
Accumulated depreciation										
Balance as at April 01, 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 (v) below)"	-	53.66	-	-	-	-	-	-	-	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
Additions	-	89.13	115.60	199.89	217.99	-	35.24	12.11	45.62	715.58
Disposals	-	-	208.36	35.27	62.32	-	2.77	29.39	23.31	361.42
"Reclassified to Investment Property (Refer Note (vi) below)"	-	13.04	-	-	-	-	-	-	-	13.04
Balance as at March 31, 2022	-	408.25	1,137.24	1,166.99	1,200.36	0.24	206.64	162.93	251.66	4,582.58
Carrying Amount										
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
Balance as at March 31, 2022	362.47	2,607.02	1,057.03	2,494.92	1,613.32	9.81	453.25	40.23	636.76	9,274.81

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, 2021	186.94	-	15.36	43.24	128.34
Balance as at March 31, 2022	128.34	135.73	-	2.21	261.86

Aging of CWIP

Project in Progress	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
For the year ended March 31, 2021	-	-	5.44	122.90	128.34
For the year ended March 31, 2022	135.73	-	-	126.13	261.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

4(b) Capital Work in Progress (Contd...)

Completion schedule for CWIP whose completion is overdue:

Projects in progress (Bangladesh Factory)	To be completed in				Total
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	
For the year ended March 31, 2021	-	122.90	-	-	122.90
For the year ended March 31, 2022	122.90	-	-	-	122.90

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 ₹154.61 Lakhs (Previous year ₹167.95 Lakhs)) is constructed on leasehold land which is in name of U.A.E. national shareholder.
- Actual cost of capital projects in progress has not exceeded the estimated cost and the actual timelines for completion of projects has not exceeded the estimated timelines in respect of the amounts reported in 4(b), as at end of each reporting period. Accordingly, completion schedule is not presented except for the above mentioned project for which completion is overdue due to Covid-19 pandemic. CWIP as at March 31, 2022 majorly comprises of costs directly attributable to a building and plant & machinery. CWIP as at March 31, 2021 majorly comprises of plant & machinery. There are no projects which are suspended as on March 31, 2022 and March 31, 2021.
- During the previous year, 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 Rs. 357.55 Lakhs situated at Whitefield, Bengaluru to Investment properties, as it intends to hold aforesaid assets for long term capital appreciation purposes.
- During the current year, a residential flat having carrying value of ₹30.36 lakhs has been transferred to investment properties.

4(c) Leases

This note provides information for leases where the Group is a lessee. The Group leases Land and Building (retail stores, 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, 2022	As at March 31, 2021
Right of use assets		
- Leasehold Land	1.34	1.54
- Buildings	1,897.36	3,856.30
Total	1,898.70	3,857.84

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, 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
Additions	-	53.01	53.01
Deductions on disposals	-	1,769.27	1,769.27
Balance as at March 31, 2022	2.54	7,772.84	7,775.38
II. Accumulated depreciation			
Balance as at April 01, 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
Depreciation expense for the year	0.20	1,042.11	1,042.31
Deductions on disposals	-	799.43	799.43
Balance as at March 31, 2022	1.20	5,875.48	5,876.68
Carrying amount			
Balance as at March 31, 2021	1.54	3,856.30	3,857.84
Balance as at March 31, 2022	1.34	1,897.36	1,898.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

4(c) Leases (Contd...)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Current	786.51	1,503.20
Non-Current	1,782.25	3,089.38
Total	2,568.76	4,592.58

(ii) Amounts recognised in the statement of profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation charge of Right-of-use assets		
- Leasehold Land	0.20	0.20
- Buildings	1,042.11	1,470.95
Total	1,042.31	1,471.15

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
COVID-19 related Rent Concessions (included in other income)*	352.64	1,152.20
Gain on termination / remeasurement of lease contracts (included in other income)	170.23	614.75
Interest expense (included in finance costs)	270.51	477.68
Rent		
- Expense relating to short-term leases (included in other expenses)	424.94	365.81
- Expense relating to variable lease payments not included in lease liabilities	164.11	185.84
	589.05	551.65

The total cash outflow for leases for the year ended March 31, 2022 was ₹ 1,534.45 Lakhs (March 31, 2021 ₹ 1,106.79 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 July 24, 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. Covid-19 Related Rent Concessions and vide notification dated June 18, 2021, extended such practical expedient upto June 30, 2022.

Certain lessors have provided rent concessions to the Group as a result of the Covid-19 pandemic. Rent concession include rent holidays, rent reduction and/or variable rent as % of sales for a certain period but not beyond June 30, 2022.

Pursuant to the above amendment, the Group 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

Certain 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, re-evaluation done post Covid-19 etc. 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 50% increase in sales across all stores in the Group with such variable lease contracts would increase total lease payments by approximately ₹ 82.06 Lakhs (March 31, 2021 ₹ 92.92 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, 2022

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

5. Investment Properties

Particulars	Land	Building	Total
Gross carrying amount			
Balance as at April 01, 2020	-	806.02	806.02
Reclassified from Property, plant and equipment (Refer Note 4(a)(v))	45.94	411.21	457.15
Balance as at March 31, 2021	45.94	1,217.23	1,263.17
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	-	43.40	43.40
Balance as at March 31, 2022	45.94	1,260.63	1,306.57
Accumulated depreciation			
Balance as at April 01, 2020	-	61.39	61.39
Additions	-	15.94	15.94
Reclassified from Property, plant and equipment (Refer Note 4(a)(v))	-	53.66	53.66
Balance as at March 31, 2021	-	130.99	130.99
Additions	-	33.39	33.39
Reclassified from Property, plant and equipment (Refer Note 4(a)(vi))	-	13.04	13.04
Balance as at March 31, 2022	-	177.42	177.42
Net carrying amount			
Balance as at March 31, 2021	45.94	1,086.24	1,132.18
Balance as at March 31, 2022	45.94	1,083.21	1,129.15

Notes:

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

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from investment properties	193.99	131.15
Direct operating expenses (including repairs and maintenance) of investment properties	4.78	3.57
Income arising from investment properties before depreciation	189.21	127.58
Depreciation	33.39	15.94
Income arising from investment properties (Net)	155.82	111.64

(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 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, 2022	As at March 31, 2021
For a period not later than one year	206.73	99.48
For a period later than one year and not later than five years	193.81	417.88
For a period later than five years	-	-

(iii) Fair value

Particulars	Investment Properties		
	Land	Building	Total
“As at March 31, 2021”	4,070.47	5,359.54	9,430.01
“As at March 31, 2022”	4,097.33	6,058.07	10,155.40

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 registered independent valuers as defined under Companies Act, 2013. 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, 2022

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

6 Intangible assets

	Computer Software
Balance as at April 1, 2020	
Additions	488.77
Disposals	20.93
Balance as at March 31, 2021	-
Additions	509.70
Disposals	59.95
Balance as at March 31, 2022	3.99
	565.66
Accumulated amortisation	
Balance as at April 1, 2020	
Additions	278.10
Disposals	69.18
Balance as at March 31, 2021	-
Additions	347.28
Disposals	66.13
Balance as at March 31, 2022	-
	413.41
Net carrying amount	
Balance as at March 31, 2022	162.42
Balance as at March 31, 2021	152.25

7 Non-current Investments

		As at March 31, 2022		As at March 31, 2021	
		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	1,030.63	221,024	475.20
	Aditya Birla Capital Limited (Equity Shares of ₹10 each)	138	0.15	138	0.16
	Grasim Industries Limited (Equity Shares of ₹10 each)	99	1.65	99	1.44
	Aditya Birla Fashion and Retail Limited (Equity Shares of ₹10 each)	343	1.04	343	0.69
	Hindalco Industries Limited (Equity Shares of ₹1 each)	830	4.73	830	2.71
	Coramandel International Limited (Equity Shares of ₹10 each)	108	0.86	108	0.84
	Exide Industries Limited (Equity Shares of ₹10 each)	7	0.01	7	0.01
	Indraprastha Medical Limited (Equity Shares of ₹10 each)	5,000	2.92	5,000	2.69
	Karur Vysya Bank Limited (Equity Shares of ₹2 each)	32,733	15.16	32,733	18.23
	Maan Alluminium Limited (Equity Shares of ₹10 each)	1,000	1.35	500	0.77
	Spentex Industries Limited (Equity Shares of ₹10 each)	54	*	54	*
	Total (A)		1,058.50		502.74
B	<u>Investment in Non Convertible Debentures (NCD)</u>				
	Unquoted				
	At amortised cost				
	11.80 % Non-convertible Debentures (NCD) of I L & F S Transportation Networks Limited (NCDs of ₹100 each)	30	305.62	30	305.62
	Less: Impairment Loss		(305.62)		(305.62)
	Quoted				
	At Fair value through Other Comprehensive Income				
	6 3/4 % BONDS SRI LANKA 2018/18-APR-2028 (Bond of USD 200,000)	1	72.34	-	-
	Total (B)		72.34		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

7 Non-current Investments

	As at March 31, 2022		As at March 31, 2021	
	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)	68,127	1,651.08	75,120	943.61
Paragon Partners Growth Fund – I (Units of ₹100/- each)	4,35,286	769.54	4,55,818	683.73
Tata Capital Healthcare Fund (Units @ ₹1 /- each)	2,00,00,000	36.00	2,00,00,000	44.00
Tata Capital Growth Fund (Units @ ₹1 /- each)	2,00,00,000	172.00	2,00,00,000	98.00
Faering Capital India Evolving Fund (Units of ₹1000/- each)	38,886	1,155.38	38,886	728.76
Total (C)		3,784.00		2,498.10
Total (A+B+C)		4,914.84		3,000.84
Aggregate amount of quoted investments		1,130.84		502.74
Aggregate Market Value of the quoted investments		1,130.84		502.74
Aggregate amount of unquoted investments		4,089.62		2,803.72
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 Assets 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, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to related parties (Refer Note 43)	1,163.77	-
Loans to employees	9.83	-
Total	1,173.60	-

9 Other non-current financial assets

	As at March 31, 2022	As at March 31, 2021
Security deposits - considered good	1,127.42	1,147.00
Security deposits - considered doubtful	42.00	42.00
Total	1,169.42	1,189.00
Less: Allowance for doubtful deposits	(42.00)	(42.00)
	1,127.42	1,147.00
Term deposits with banks - considered good	1.00	1.00
Total	1,128.42	1,148.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

10 Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Capital advances	12.80	23.01
Prepaid expenses	1.48	1.05
Balances with government authorities - GST Input credit	317.92	430.01
Balances with government authorities (including deposits) - Others	54.85	54.85
Advance for factory construction and commercial work	154.68	146.09
Total	541.73	655.01

11 Inventories

	As at March 31, 2022	As at March 31, 2021
(The mode of valuation of inventories has been stated in Note 2(i))		
Raw and Packing Materials [Includes Raw Material - In Transit ₹15.91 Lakhs, (As at March 31, 2021 ₹31.29 Lakhs)]	1,665.04	1,905.22
Work-in-progress	164.16	106.08
Finished goods	4,214.51	4,936.90
Stock-in-trade	773.71	608.53
Stores and Spares	110.53	135.87
Total	6,927.95	7,692.60

Inventory writedowns are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-downs of inventories amounted to ₹ 130.83 Lakhs for the year ended March 31, 2022 (₹ 200.36 Lakhs for year ended March 31, 2021). 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, 2022

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

12 Current investments

		As at March 31, 2022		As at March 31, 2021	
		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)	27,74,980	165.24	52,35,756	620.23
	HDFC Ultra Short Term Fund - daily dividend reinvestment (Units of ₹ 10/- each)	4,009	0.42	3,930	0.40
	Total		165.66		620.63
	Aggregate amount of unquoted investments		165.66		620.63

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

13 Trade receivables

	As at March 31, 2022		As at March 31, 2021	
Receivables from related parties (Refer Note 43)		493.80		371.00
Others		2,081.60		1,821.31
Less: Loss allowances		(413.60)		(398.60)
Total		2,161.80		1,793.71
Note: Break-up of security details				
Trade receivables considered good - unsecured		2,161.80		1,793.71
Trade receivables - credit impaired - unsecured		413.60		398.60
Total		2,575.40		2,192.31
Less: Loss allowances		(413.60)		(398.60)
Total Trade Receivables		2,161.80		1,793.71

Refer Note 45 for information about credit risk and market risk of trade receivables.

Note (b): Aging of trade receivables

Unsecured Trade receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022							
(i) Undisputed - considered good	1,412.46	652.39	38.94	51.25	6.76	-	2,161.80
(ii) Disputed - credit impaired	-	-	-	-	42.24	371.36	413.60
Total	1,412.46	652.39	38.94	51.25	49.00	371.36	2,575.40
As at March 31, 2021							
(i) Undisputed - Considered good	1,015.32	675.27	35.20	62.65	5.27	-	1,793.71
(ii) Disputed - credit impaired	-	-	-	-	66.41	332.19	398.60
Total	1,015.32	675.27	35.20	62.65	71.68	332.19	2,192.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

14 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	4.73	2.66
Balances with Banks		
- In current accounts	887.24	1,707.61
- In EEFC accounts	-	12.89
Total	891.97	1,723.16

There are no repatriation restrictions with regard to cash and cash equivalents as at March 31, 2022 and previous year end.

15 Bank Balances other than cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Margin money deposits*	-	1.79
Term deposits with Banks	34.25	33.19
Less: Interest accrued (included in Note 17)	(0.22)	(0.19)
	34.03	34.79
Unclaimed dividends - Earmarked balances with banks	5.98	10.14
Total	40.01	44.93

* Deposit of ₹ Nil (March 31, 2021 ₹ 1.79 Lakhs) given as security against Banker's letters of guarantees.

16 Current loans

	As at March 31, 2022	As at March 31, 2021
Unsecured considered good		
Loans to related parties (Refer Note 43)	-	1,225.02
Loans to employees	4.55	44.71
Total	4.55	1,269.73

17 Other current financial assets

	As at March 31, 2022	As at March 31, 2021
Security Deposits	36.46	143.16
Interest accrued	4.86	4.63
Derivative financial instruments	38.36	25.31
Receivable on account of sale of subsidiary	-	39.87
Other advances - considered good	47.84	60.85
Other advances - considered doubtful	9.81	9.81
Total	57.65	70.66
Less: Allowance for doubtful advances	(9.81)	(9.81)
	47.84	60.85
Total	127.52	273.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

18 Other current assets

	As at March 31, 2022	As at March 31, 2021
Export Benefits receivables	491.51	219.66
Excess Contribution to gratuity fund (Refer Note 39)	24.04	15.30
Interest subsidy receivable	21.56	-
Advances to Suppliers	67.17	32.12
Prepaid expenses	55.94	58.28
Balances with government authorities - GST Input credit receivable/refundable	2,121.35	1,804.18
Right to recover returned goods	31.00	31.00
Other advances	32.17	29.95
Total	2,844.74	2,190.49

19 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised		
3,40,00,000 [March 31, 2021: 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, 2021: 2,24,77,677] Equity Shares of ₹ 10 each	2,475.95	2,475.95
	2,475.95	2,475.95

Notes:				
a) Reconciliation of number of shares:				
	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	24,759,531	2,475.95	22,477,677	2,247.77
Issued during the year #	-	-	2,281,854	228.18
Balance as at the end of the year	24,759,531	2,475.95	24,759,531	2,475.95
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, 2022		As at March 31, 2021	
	%	No. of shares	%	No. of shares
Late Mohammed Yusuf Noorani ** \$	0.94	232,875	21.11	5,225,931
Salman Yusuf Noorani & Anees Yusuf Noorani \$	20.17	4,993,056	-	-
Asia Tangible Investments Pte Limited	12.74	3,154,882	12.74	3,154,882
Euro Global Holdings Pte Limited	12.74	3,154,882	12.74	3,154,882

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Akash Bhanshali	1.62	401,700	5.50	1,361,700
Anees Yusuf Noorani #	11.71	2,899,899	11.71	2,899,899
Salman Yusuf Noorani #	10.83	2,681,344	10.83	2,681,344

d) Details of shareholding of promoters:

Name of the Promoter	Year Ended March 31, 2022			Year Ended March 31, 2021		
	Number of Shares	% of total number of shares	% change during the year	Number of Shares	% of total number of shares	% change during the year
Late Mohamed Yusuf Noorani \$	232,875	0.94	(95.54)	5,225,931	21.11	-
Salman Yusuf Noorani & Anees Yusuf Noorani \$	4,993,056	20.17	100.00	-	-	-
Salman Yusuf Noorani	2,681,344	10.83	-	2,681,344	10.83	74.07
Anees Yusuf Noorani	2,899,899	11.71	-	2,899,899	11.71	64.86
Euro Global Holdings Pte. Ltd.	3,154,882	12.74	-	3,154,882	12.74	-
Asia Tangible Investments Pte. Ltd.	3,154,882	12.74	-	3,154,882	12.74	-
Adnan Salman Noorani	200,000	0.81	-	200,000	0.81	-
Muna Anees Noorani	75	&	-	75	&	-
Zehra Salman Noorani	367	&	-	367	&	-
Musaed Anees Noorani	8,409	0.03	-	8,409	0.03	-
Awais Anees Noorani	75	&	-	75	&	-
Saniyya Anees Noorani	75	&	-	75	&	-
M Y Noorani 2007 Trust (Trustee - Anees Yusuf Noorani and Salman Yusuf Noorani)	607	&	-	607	&	-
Total	17,326,546	69.97		17,326,546	69.97	

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Company issued any bonus shares or any shares for consideration other than cash.

** Includes shares held by Late Mohammed Yusuf Noorani \$		
	Year Ended March 31, 2022	Year Ended March 31, 2021
“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 previous 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.		
	Year Ended March 31, 2022	Year Ended March 31, 2021
Anees Yusuf Noorani	-	1,140,927
Salman Yusuf Noorani	-	1,140,927

\$ Mr. Mohamed Yusuf Noorani deceased on November 20, 2019 and the process of obtaining a probate of his Will has been completed on June 30, 2021. Accordingly, the shares are credited to joint account of Mr. Salman Yusuf Noorani and Mr. Anees Yusuf Noorani as Executors to the estate of Late Mr. Mohamed Yusuf Noorani, and remaining 232,875 equity shares are in process of being transferred to the joint account of Mr. Salman Yusuf Noorani and Mr. Anees Yusuf Noorani.

& Percentages are below the rounding off norms adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

20 Other Equity

	Securities Premium Reserve	Reserves and Surplus					Other Comprehensive Income (OCI)				
		Amalgamation Reserves	State Cash Subsidy	Capital Redemption Reserve	Statutory Reserve	General Reserves	Retained Earnings	FVOCI - Equity Instruments	FVOCI - Debt Instruments	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve
Balance as at April 1, 2020	7,400.70	8.16	15.84	200.00	17.98	2,693.15	12,296.64	461.64	-	(42.48)	609.91
Loss for the year	-	-	-	-	-	-	(2,938.18)	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Remeasurements of defined benefit obligation	-	-	-	-	-	-	73.49	-	-	-	(26.55)
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	39.90	-	-	-
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	12.14	-
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	42.48	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,864.69)	39.90	-	54.62	(26.55)
Transactions with owners in their capacity as owners:											
Premium Received on Issue of Equity Shares	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
Loss for the year	-	-	-	-	-	-	(1,636.86)	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-
Remeasurements of defined benefit obligation	-	-	-	-	-	-	38.19	-	-	-	110.41
Changes in fair value of equity instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	535.29	-	-	-
Debt instruments through other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(32.04)	-	-
Changes in the fair value of hedging instrument (net of tax)	-	-	-	-	-	-	-	-	-	18.65	-
Reclassification to Statement of Profit and Loss (net of tax)	-	-	-	-	-	-	-	-	-	(12.14)	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(1,598.67)	535.29	(32.04)	6.51	110.41
Balance as at March 31, 2022	9,672.52	8.16	15.84	200.00	17.98	2,693.15	8,018.46	851.65	-	18.65	693.77

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.

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.

FVOCI - Debt Instruments

The Group has elected to recognise changes in the fair value of investments in certain debt securities as other comprehensive income. These changes are accumulated within the FVOCI debt instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant debt 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, 2022

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

21 Non-current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Guaranteed Emergency Credit Line (GECL)	814.53	832.00
Total Non-current borrowings	814.53	832.00
Less: Current maturities of long term debt (included in Note 24)	(277.33)	(18.56)
Less: Interest accrued but not due on borrowings (included in Note 24)	(1.09)	-
Total Non-current borrowings (as per Balance Sheet)	536.11	813.44

Refer Note 45 for liquidity risk

Notes:

Nature of Security and terms of repayment:

- The loan is secured by way of second charge on all current assets of the Company.
- The loan carries an interest rate ranging of 8.25 % p.a. / 9.25 % p.a. (March 31, 2021: 8.25 % p.a. / 9.25% p.a.)
- The loan is repayable in 36 equated monthly instalments starting from the 13th month of their respective drawdown dates. Last installment in due on March 20, 2025.

22 Current Borrowings

	As at March 31, 2022	As at March 31, 2021
From banks (Working Capital Loans):		
In Indian Rupees		
- Rupee Packing Credit (RPC) *	1,593.85	1,769.39
- Bank Overdraft	1,962.60	1,795.82
From Related Parties:		
Unsecured		
- Loans from Directors	383.39	-
Total Current borrowings	3,939.84	3,565.21
Less: Interest accrued but not due on borrowings (included in Note 24)	(7.17)	(4.63)
Current maturities of long term debt (Refer Note 23)	277.33	18.56
Total Current borrowings	4,210.00	3,579.14

Nature of Security and terms of repayment:

Current borrowings from banks are secured by way of first pari passu charge of all current assets of the Company.

RPC is repayable within 180 days. Effective Interest rate ranging from 3.10% to 6.10 % p.a. (March 31, 2021: 4.25% p.a.)

Bank Overdraft carries rate of interest ranging from 9.10 % p.a. to 9.50 % p.a. (March 31, 2021: 9.10 % to 9.50% p.a.)

“Loans from Directors carries rate of interest of 8% p.a. payable on repayment of loan. Loan is repayable on or before December 31, 2022.”

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, 2022	As at March 31, 2021
Cash and cash equivalents	891.97	1,723.16
“Current Borrowings (including interest accrued but excluding current maturities of long term debt)”	(3,939.84)	(3,565.21)
“Non Current Borrowings (including interest accrued and current maturities of long term debt)”	(814.53)	(832.00)
Lease liabilities	(2,568.76)	(4,592.58)
Net debt	(6,431.16)	(7,266.63)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

	Cash and Cash equivalents	Lease Liabilities	Non current borrowings (Including interest accrued)	Current borrowings (Including interest accrued)	Total
Net Debt as at April 1, 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 Concessions	-	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)
Cash flows	(831.19)	674.89	18.56	(372.09)	(509.83)
Acquisitions - Leases	-	(53.01)	-	-	(53.01)
Termination - Leases	-	1,049.30	-	-	1,049.30
Covid-19 related Rent Concessions	-	352.64	-	-	352.64
Interest expense	-	(270.51)	(72.32)	(262.25)	(605.08)
Interest paid	-	270.51	71.23	281.27	623.01
Interest subvention receivable	-	-	-	(21.56)	(21.56)
Net Debt as at March 31, 2022	891.97	(2,568.76)	(814.53)	(3,939.84)	(6,431.16)

23 Trade payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
- total outstanding dues of micro and small enterprises [Refer Note below]	34.62	54.18
- total outstanding dues of creditors other than micro and small enterprises		
- Payable to related parties [Refer Note 43]	188.28	278.41
- others	2,616.88	1,998.03
Total	2,839.78	2,330.62

Refer Note 45 for information about liquidity risk and market risk of trade payables.

Aging of trade payables:

			Outstanding for following years from due date of payment				
Undisputed trade payable	Unbilled Dues	Not due	" Less than 1 year "	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022							
(i) MSME	-	-	28.67	5.95	-	-	34.62
(ii) Others	179.75	985.49	1,538.96	72.85	26.69	1.42	2,805.16
Total	179.75	985.49	1,567.63	78.80	26.69	1.42	2,839.78
As at March 31, 2021							
(i) MSME	-	-	51.71	1.85	0.11	0.50	54.18
(ii) Others	98.30	891.70	1,133.86	127.61	15.09	9.87	2,276.45
Total	98.30	891.70	1,185.57	129.47	15.21	10.38	2,330.62

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	31.77	52.03
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.85	2.15
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	82.91	31.79
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	5.45	11.19
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	2.85	2.15
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	-	-

Note: The above is based on information available with the Group regarding the registration status of the suppliers as micro and small enterprises under MSMED Act.

24 Other financial liabilities

Other non-current financial liabilities

	As at March 31, 2022	As at March 31, 2021
Security deposits	28.64	22.83
Total	28.64	22.83

Other current financial liabilities

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	8.26	4.63
Unclaimed dividends [Refer Note below]	5.98	10.14
Capital Creditors	81.47	107.14
Book Overdrawn Balance	-	8.04
Other payables	3.97	3.79
Total	99.68	133.74

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, 2022	As at March 31, 2021
Provision for employee benefits		
- Staff end of service gratuity	9.15	4.86
- Others	-	0.26
Total	9.15	5.12
Current Provisions	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Compensated absences (Refer Note 39)	96.33	87.70
- Staff end of service gratuity	-	1.32
- Others	0.27	0.26
Total	96.60	89.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

26 Other liabilities

Other non-current liabilities	As at March 31, 2022	As at March 31, 2021
Contract liabilities - advance rent	-	10.56
Deferred rent income	22.24	25.65
Total	22.24	36.21
Other current liabilities	As at March 31, 2022	As at March 31, 2021
Contract liabilities - advance from customers	70.30	26.55
Contract liabilities - advance rent	8.61	92.80
Statutory dues payable	109.02	90.59
Employee benefits payable	556.68	460.74
Refund liabilities	62.00	62.00
Deferred Rent Income	3.21	9.82
Total	809.82	742.50

* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year is recognised as revenue during the year while the amount recognised as at the end of the year represents advance payments received during the respective year.

Where a customer has a right to return a product within a given period, the Group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled ₹ 62 Lakhs (31 March 2021 – ₹ 62 Lakhs). The Group also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods ₹ 31 Lakhs (31 March 2021 – ₹ 31 Lakhs) (Refer Note 18). The costs to recover the products are not material because the customers usually return them in a saleable condition.

27 Revenue from Operations

	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from contracts with customers		
- Sale of Products	12,039.62	9,627.23
- Sale of Services (Freight and Insurance)	146.75	63.87
Other operating revenue		
- Export Incentives	472.41	314.04
- Process waste sale	6.42	4.70
Total	12,665.20	10,009.84

(i) There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2022 and March 31, 2021.

(ii) Reconciliation of revenue from contracts with customers recognised with contract price:

	Year Ended March 31, 2022	Year Ended March 31, 2021
Contract price	12,577.77	9,990.32
Adjustments for:		
- Discounts and Rebates	(132.58)	(76.53)
- Sales returns	(258.82)	(222.69)
Revenue from contract with customers	12,186.37	9,691.10

28 Other income

	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income		
- unwinding of discount on security deposit	58.73	77.66
- income tax refunds	91.77	10.88
- others	9.75	8.10
Dividend Income		
- financial assets measured at fair value through profit or loss	7.73	9.76
- financial assets measured at fair value through Other Comprehensive Income	0.02	0.04
Rent income	202.99	140.15
Net gain on fair value / sale of financial assets measured at fair value through profit or loss *	1,638.48	554.23
Net gain / (loss) on foreign currency transactions and translation	9.39	27.22
Covid-19 related Rent Concessions	352.64	1,152.20
Gain on termination / remeasurement of lease contracts	170.23	614.75
Miscellaneous income	129.49	145.67
Total	2,671.22	2,740.66

* Includes unrealised fair value gain of ₹ 1,414.27 Lakhs, (₹ 527.56 Lakhs for year ended March 31, 2021)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

29 Cost of materials consumed

	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw and packing materials at the beginning of the year	1,905.22	2,227.40
Purchases	4,709.02	3,069.51
Less: Sale of Raw and packing materials	(1.16)	(7.54)
Less: Raw and packing materials at the end of the year	(1,665.04)	(1,905.22)
Total	4,948.04	3,384.15

30 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening 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
Closing inventories		
Finished goods	4,214.51	4,936.90
Stock-in-trade	773.71	608.53
Work-in-progress	164.16	106.08
	5,152.38	5,651.51
Total	499.13	814.68

31 Employee benefits expense

	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages, bonus etc.	3,363.48	3,442.36
Contribution to provident and other funds (Refer Note 39)	272.53	284.71
Gratuity Expenses (Refer Note 39)	63.27	90.39
Staff welfare expenses	67.59	45.48
Total	3,766.87	3,862.94

32 Finance costs

	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense on:		
- Term Loans	72.32	145.73
- Current Borrowings	262.25	260.00
- Lease Payments	270.51	477.68
- Others	11.77	20.30
Total	616.85	903.71

33 Depreciation and amortization expense

	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on property, plant and equipment	715.58	782.24
Depreciation on Right-of-use assets	1,042.31	1,471.15
Depreciation on investment property	33.39	15.94
Amortization on intangible assets	66.13	69.18
Total	1,857.41	2,338.51

34 Other expenses

	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of stores and spares	145.96	97.24
Power and fuel	185.35	173.83
Job Work Charges	257.82	61.95
Insurance	91.63	117.87
Repairs to buildings	72.15	56.19
Repairs to machinery	17.71	7.75
Repairs and Maintenance - Others	270.21	190.32
Rent	589.05	551.65
Electricity Expenses	213.98	163.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Retail store maintenance expenses	384.88	371.97
Rates and Taxes	220.50	96.82
Advertisement and sales promotion	202.46	182.38
Commission to selling agents	442.65	398.37
Freight and forwarding	998.90	579.92
Trade Mark Fees	48.56	31.86
Legal and Professional Expenses	298.25	288.03
Travelling and Conveyance	221.70	98.48
Director Fees	24.10	23.60
Donations	2.83	19.12
Expenditure incurred for Corporate Social Responsibility	53.11	32.00
Allowance for doubtful debts, loans, advances and deposits etc. (net)	15.00	-
Bad debts, loans, advances and deposits etc. written off	31.61	266.14
Net Loss on sale/discard of property, plant and equipment	72.51	192.16
Bank Charges	110.00	81.70
Security Charges	90.85	94.46
Miscellaneous Expenses	131.67	109.03
Total	5,193.44	4,286.51

35 Income Taxes

i) Tax expense recognised in the Statement of Profit and Loss:

	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax		
Expense for the year	113.00	113.30
Total current tax (A)	113.00	113.30
Deferred tax		
Deferred tax credit	(134.97)	(147.61)
Total deferred tax credit (B)	(134.97)	(147.61)
Total tax expense for the year (C) = (A + B)	(21.97)	(34.31)
Tax in respect of earlier years (D)	12.42	(3.77)
Total tax expense/(credit) (C + D)	(9.55)	(38.08)

ii) A reconciliation of the income tax expenses to the amount computed

	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss before tax	(1,646.41)	(2,976.26)
Enacted income tax rate in India	27.82%	27.82%
Tax expenses at enacted income tax rate	(458.03)	(828.00)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowance	19.18	20.38
Additional deduction for House Property Income under Income Tax	(16.47)	(11.11)
Additional Deferred tax on undistributed profits of subsidiaries	1.10	0.89
Differential tax on Capital gains	(211.23)	(51.65)
Deferred tax assets not recognised on business losses	402.08	591.84
Foreign Entities with no tax / differential tax	10.96	8.77
Deferred tax assets not recognised on unabsorbed depreciation	-	235.45
Deferred tax assets recognised on unabsorbed depreciation	235.08	-
Others	(4.64)	(0.88)
Total Tax Expenses	(21.97)	(34.31)

iii) Tax Assets

	As at March 31, 2022	As at March 31, 2021
Non-Current Tax Assets (net of provision of ₹ 2,979.44 Lakhs (As at March 31, 2021 ₹ 4,094.19 Lakhs))	1,079.44	1,050.47
Current Tax Assets (net of provision of ₹ nil Lakhs (As at March 31, 2021 ₹ 321.81))	-	234.56
Total	1,079.44	1,285.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

iv) The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022:

	As at April 01, 2020	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2021	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2022
Deferred tax assets (net)							
Provision for employee benefits	33.62	(9.87)	-	23.75	2.94	-	26.69
Provision for doubtful debts and advances	125.30	-	-	125.30	4.17	-	129.47
Property, plant and equipment and intangible assets	(537.71)	41.08	-	(496.63)	69.99	-	(426.64)
Lease Liabilities and Right-of-use assets	283.28	(78.87)	-	204.41	(18.00)	-	186.41
Unabsorbed Depreciation	1,566.62	(1.70)	-	1,564.92	456.36	-	2,021.28
Business Losses	-	292.06	-	292.06	(222.19)	-	69.87
Others	100.78	(207.50)	(42.21)	(148.93)	(270.20)	(23.07)	(442.20)
Total	1,571.89	35.20	(42.21)	1,564.88	23.07	(23.07)	1,564.88
Deferred tax liabilities							
Undistributed reserves of subsidiaries	(653.32)	112.41	-	(540.91)	111.90	-	(429.01)
Total	(653.32)	112.41	-	(540.91)	111.90	-	(429.01)

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 Parent 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 recognized deferred tax asset on aforesaid unabsorbed depreciation. However, deferred tax on carried forward 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, 2022	As at March 31, 2021	Loss Carried forward for upto A.Y.	As at March 31, 2022	As at March 31, 2021	Loss Carried forward for upto A.Y.
2016 - 17	79.78	79.78	2024 -25	1,193.95	1,193.95	No Expiry
2017 - 18	1,064.52	1064.52	2025 -26	1,224.55	1,224.55	
2018 - 19	1,890.73	1890.73	2026 -27	1,166.48	1,166.48	
2019 - 20	515.46	515.46	2027 -28	1,056.32	1,056.32	
2020 - 21	2,052.63	2052.63	2028 -29	983.87	983.87	
2021 - 22	3,000.44	3089.85	2029 -30	871.83	846.34	
2022 - 23	2,243.96	-	2030 -31	768.57	-	
Less - Deferred tax recognized	(251.16)	(1,049.82)		(7,265.57)	(5,625.17)	
Unrecognized Amount	10,596.36	7,643.15		-	846.34	

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, 2022	As at March 31, 2021
Floating Charge		
Current Assets		
Financial Assets		
- Investments	165.66	620.63
- Trade receivables *	1,470.86	1,303.14
- Cash and cash equivalents	34.93	91.36
- Bank Balances other than cash and cash equivalents #	34.03	33.00
- Loans	4.55	174.71
- Others financial assets	109.31	85.49
	1,819.34	2,308.33
Non Financial Assets		
- Inventories	6,747.04	7,692.60
- Other current assets	2,774.98	2,156.73
	9,522.02	9,849.33
Total assets	11,341.36	12,157.66

* Trade Receivables represent receivables excluding related parties trade receivables as per the terms of security.

Excludes Unclaimed dividends - Earmarked balances with banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

37 Contingent liabilities, Contingent assets and commitments (to the extent not provided for)

		As at March 31, 2022	As at March 31, 2021
i	Contingent Liabilities		
(a)	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
	Others matters	1.29	1.29

- (b) The Parent Company has leasehold land (perpetual lease) and building thereon at Mumbai which was transferred to Parent Company through amalgamation of Zodiac Finsec Holdings Limited (then wholly owned subsidiary of the Parent Company) with the Parent Company in Financial Year 2017-18. Zodiac Finsec Holdings Limited was previously known as Multiplex Collapsible Tubes Limited. The Parent Company have initiated the process for transfer of its proportionate share in leasehold land which is situated at Mumbai in the Parent Company's name as lessee. The amount of transfer fees, if any, is presently not ascertainable and cannot be reliably estimated and which will be known on completion of diligence exercise and determination by local authorities.

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, 2022	As at March 31, 2021
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	12.80	25.71
	Less: Capital advances (Refer Note 10)	(12.80)	(23.01)
	Net Capital commitments	-	2.70
	*Refer note 37(i)(b)		
(b)	Investment Commitments related to Venture Capital funds		
	Investment Commitments related to Venture Capital funds	35.93	35.93
	"Investment commitment: contribution is to be made on "as needed" basis pursuant to drawdown notices issued by the respective funds over commitment period.		
	In previous year, 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 Parent 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."		

38 Earnings per share

		Year ended March 31, 2022	Year ended March 31, 2021
Basic & Diluted			
Loss for the year	(A)	(1,636.86)	(2,938.18)
Weighted average number of equity shares outstanding	(B)	24,759,531	22,527,690
Basic and Diluted Earnings Per Share (₹)	(A / B)	(6.61)	(13.04)
Nominal value per equity shares (in ₹)		10	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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. 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, 2022 and March 31, 2021, amounts recognised in the Consolidated financial statements in respect of Employee Benefits Scheme:

A. Amount recognised in the Balance Sheet

	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	952.59	981.30
Fair value of plan assets	(976.63)	(996.60)
(Net plan surplus) / Net plan liability	(24.04)	(15.30)

B. Movement in plan assets and liabilities

	Year ended March 31, 2022			Year ended March 31, 2021		
	Plan Assets	Plan Liabilities	Net	Plan Assets	Plan Liabilities	Net
As at 1st April	996.60	981.30	15.30	1,115.56	1,129.11	(13.55)
Current service cost	-	64.26	(64.26)	-	89.57	(89.57)
Interest cost	-	63.19	(63.19)	-	68.20	(68.20)
Interest income	64.18	-	64.18	67.38	-	67.38
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(1.16)	1.16	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(33.96)	33.96	-	(27.96)	27.96
Actuarial (gain)/loss arising from experience adjustments	-	(4.09)	4.09	-	(44.22)	44.22
Return on plan assets excluding actual return of plan assets	(1.02)	-	(1.02)	1.31	-	1.31
Employer contributions	33.82	-	33.82	45.75	-	45.75
Benefit payments	(116.95)	(116.95)	-	(233.40)	(233.40)	-
As at 31st March	976.63	952.59	24.04	996.60	981.30	15.30

The liabilities are split between different categories of plan participants as follows:

	As at March 31, 2022	As at March 31, 2021
Active members	1,237	1,174
Retired Members	57	37
The weighted average duration of the defined benefit obligations	8 years	8 years
Expected contribution to the Fund	38.72	48.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

C. Statement of Profit and Loss

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefits Expense:		
Current service cost	64.26	89.57
Net Interest expense/(income)	(0.99)	0.82
Amount recognised in Consolidated Statement of Profit and Loss	63.27	90.39
Remeasurements of the net defined benefits liability:		
Actuarial (gain)/losses arising from changes in demographic assumptions	(1.16)	-
Actuarial (gains)/losses arising from changes in financial assumptions	(33.96)	(27.96)
Experience gains	(4.09)	(44.22)
Return on plan assets excluding actual return on plan assets	1.02	(1.31)
Amount recognised in Other Comprehensive Income	(38.19)	(73.49)

Total impact of remeasurement of net defined benefit plan expense recognised through Other Comprehensive Income as at March 31, 2022 and included in Retained earnings is ₹ 87.84 lakhs (Previous Year: ₹ 126.03 lakhs)

D. Assets

	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Insurer managed Fund	976.63	996.60
Total	976.63	996.60

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:

	As at March 31, 2022	As at March 31, 2021
Financial Assumptions		
Discount rate	6.96%	6.44%
Salary Escalation Rate *	5.00%	5.00%
Expected Return on Plan Assets	6.96%	6.44%
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 10% to 25% p.a. For service period of 5 years and above 1% to 7% p.a.”

* Taking into account inflation, seniority, promotion and other relevant factors.

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-2014) Ultimate table

Indian Assured Lives Mortality (2006-08) Ultimate table

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	As at March 31, 2022		As at March 31, 2021	
		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%	(59.36)	67.42	(63.72)	72.89
Salary Escalation Rate	1%	57.92	(64.18)	69.97	(62.73)
Attrition Rate	1%	9.15	(10.28)	7.56	(8.53)

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, 2022

(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, 2022	As at March 31, 2021
1st Following Year	90.06	106.28
2nd Following Year	76.37	82.67
3rd Following Year	118.93	80.78
4th Following Year	92.16	111.42
5th Following Year	66.12	85.95
Sum of Years 6 to 10	466.52	441.49
Thereafter	796.73	812.64

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 ₹ 96.33 lakhs (as at March 31, 2021: ₹ 87.70 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 ₹272.53 lakhs (Previous year ₹284.71 lakhs) in the Consolidated Statement of Profit and Loss.

40 Interest in Other entities

The Consolidated Financial Statements includes financial statements of Zodiac Clothing Company Limited and 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, 2021
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%
d) Zodiac Clothing Company Inc (w.e.f. May 11, 2021)	USA	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, 2022

(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	2020-21					
	Net Assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in other Comprehensive Income	
	As a % of consolidated net assets	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
Subsidiary / step-down subsidiaries:						
- Foreign						
Zodiac Clothing Co. S.A.	3.53%	904.38	-23.60%	693.50	0.00%	-
Zodiac Clothing Co. (UAE) LLC.	10.19%	2,609.81	-1.40%	41.14	0.00%	-
Zodiac Clothing Bangladesh Limited	0.64%	163.46	0.23%	(6.73)	0.00%	-
Intercompany Elimination & Consolidation Adjustments						
Total				(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)

Name of the Entities	2021-22					
	Net Assets i.e. total assets minus total liabilities		Share in profit (loss)		Share in other Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated Profit / (Loss)	Amount
Parent:						
- Indian						
Parent:	90.90%	22,393.40	60.37%	(988.11)	88.10%	579.99
Subsidiary / step-down subsidiaries:						
- Foreign						
Zodiac Clothing Co. S.A.	1.06%	261.07	1.03%	(16.80)	0.00%	-
Zodiac Clothing Co. (UAE) LLC.	10.74%	2,646.89	0.66%	(10.79)	-4.87%	(32.04)
Zodiac Clothing Bangladesh Limited	0.71%	175.90	0.49%	(8.04)	0.00%	-
Zodiac Clothing Company Inc (w.e.f. May 11, 2021)	-0.02%	(4.59)	0.11%	(1.85)	0.00%	-
Intercompany Elimination & Consolidation Adjustments						
Total				(611.27)	110.41	(500.86)
Non Controlling Interest in subsidiaries		24,634.09		(1,636.86)	658.36	(978.50)
Grand Total		24,634.09		(1,636.86)	658.36	(978.50)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

42 Segment Information:

Business Segment

Identification of Segments:

The chief operating 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 products and services - The Company's products falls under single 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 *	5,014.61	3,351.82	7,650.59	6,658.02	12,665.20	10,009.84
Carrying cost of segment Non Current assets**@	13,893.99	16,505.96	443.95	435.65	14,337.94	16,941.61

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and deferred tax asset.

(c) Information about major customers - Revenues of approximately ₹1,415.41 Lakhs (Previous year ₹1,625.44 Lakhs) were derived from a single external customer.

43 Related Party Disclosures under IND AS 24

1. Relationships:

(a) Key Management Personnel:

Mr. A. Y. Noorani	Non Executive Director
Mr. S. Y. Noorani	Managing Director
Mr. V. M. Apte	Independent Director
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
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(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 Ajman LLC	UAE

(d) Trust

Zodiac Clothing Co. Ltd. EMPL GGCA Scheme

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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(a) above		Referred in 1(b) above		Referred in 1(c) above	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers						
Sale of Goods	-	-	-	-	1,643.80	-
Other Income						
Rent	-	-	-	47.21	9.00	-
Employees benefit expenses*	-	-	44.88	-	-	-
Interest Expense	6.21	137.53	-	-	-	-
Other Expenses						
Rent	14.93	9.92	-	-	116.54	-
Commission to selling agents	-	-	-	-	130.62	-
Director Fees	24.10	23.60	-	-	-	-
Trade Mark Fees	-	-	-	-	31.86	-
Miscellaneous Expenses	-	-	-	-	1.51	-
Others						
Reimbursement of Expenses from	-	-	-	-	6.07	-
Reimbursement of Expenses to	-	-	-	-	4.51	-
Gratuity Fund contribution	-	-	-	-	-	-
Loan to related parties						
Loan given	-	-	-	-	13.50	-
Loan repaid back	-	-	-	-	74.75	-
Loan Received	378.25	262.65	-	-	-	-
Loan Repaid	-	1,934.27	-	-	-	-
Share Application Money Received (including securities premium)	-	2,500.00	-	-	-	-
					33.82	45.75

* 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(a) above		Referred in 1(c) above	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Outstandings:				
Current borrowings	378.25	-	-	-
Trade Payables	14.11	1.72	174.17	276.69
Other Current Liabilities				
- Employee benefits payable	79.14	79.14	-	-
Other Current Financial Liabilities				
- Interest accrued but not due	5.14	-	-	-
Other non-current financial assets (Security Deposit given)	22.50	22.50	127.50	127.50
Loans to related parties	-	-	1,163.77	1,225.02
Trade Receivables	-	-	493.80	371.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	Year ended March 31, 2021
	Revenue from contracts with customers:		
	- Mashal Enterprises	41.53	18.36
	- Zodiac Metropolitan Clothing Gmbh	1,415.41	1,625.44
	Other Income:		
	Rent		
	- Metropolitan Trading Company	9.00	9.00
	Expenses:		
	Employees benefit expenses		
	- Mr. Awais A. Noorani	44.88	47.21
	Interest expense		
	- Mr. M. Y. Noorani \$	-	6.36
	- Mr. A. Y. Noorani	2.23	73.04
	- Mr. S. Y. Noorani	3.98	58.13
	Rent		
	- Metropolitan Trading Company	92.01	130.32
	- Mustang Manufacturing Company	7.08	5.90
	- Munraz Enterprises	16.41	17.12
	- Montage Corporation	1.04	0.80
	- Mr. M. Y. Noorani \$	-	0.61
	- Mr. A. Y. Noorani	7.47	4.65
	- Mr. S. Y. Noorani	7.46	4.66
	Commission to selling agents		
	- Zodiac Metropolitan Clothing Gmbh	130.62	195.47
	Director Fees		
	- Mr. V. M. Apte	6.80	5.80
	- Mr. Y. P. Trivedi	6.40	5.90
	- Mr. S. R. Iyer	6.80	6.30
	- Mr. Bernhard Steunruecke	2.40	2.40
	- Naushad Forbes	1.20	2.20
	- Ms. Elizabeth Jane Hulse	0.50	1.00
	Trade Mark Fees		
	- Metropolitan Trading Company	48.56	31.86
	Miscellaneous Expenses		
	- Zodiac UAE Ajman LLC	-	1.51
	Others		
	Reimbursement of Expenses from		
	- Mashal Enterprises	6.07	12.21
	Reimbursement of Expenses to		
	- Montage Corporation	-	0.06
	- Metropolitan Trading Company	-	2.60
	- Munraz Enterprises	4.51	4.67
	Paid to Trust		
	- Zodiac Clothing Co. Ltd. EMPL GGCA Scheme	33.82	45.75
	Loan to related parties:		
	Loan given		
	- Onward LLC	13.50	-
	Loan repaid back		
	- Onward LLC	-	74.31
	- Zodiac Metropolitan Clothing Gmbh	74.75	20.87
	Loan Received		
	- Mr. A. Y. Noorani	128.25	72.05
	- Mr. S. Y. Noorani	250.00	190.60
	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. A. Y. Noorani	-	1,250.00
	- Mr. S. Y. Noorani	-	1,250.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	As at March 31, 2021
	Outstandings:		
	Current borrowings		
	- Mr. A. Y. Noorani	128.25	-
	- Mr. S. Y. Noorani	250.00	-
	Trade Payables		
	- Zodiac Metropolitan Clothing Gmbh	26.70	268.90
	- Metropolitan Trading Company	120.90	7.79
	- Munraz Enterprises	21.78	-
	- Montage Corporation	1.01	-
	- Mustang Manufacturing company	3.78	-
	- Mr. A. Y. Noorani - Payable for Rent	7.37	0.86
	- Mr. S. Y. Noorani - Payable for Rent	6.74	0.86
	Other Current Liabilities - Employee benefits payable		
	- Mr. S. Y. Noorani - Remuneration	79.14	79.14
	Other Current Financial Liabilities - Interest accrued but not due		
	- Mr. A. Y. Noorani	1.56	-
	- Mr. S. Y. Noorani	3.58	-
	Security Deposit		
	- Metropolitan Trading Company	115.00	115.00
	- 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	441.05	427.56
	- Zodiac Metropolitan Clothing Gmbh	722.72	797.46
	Trade Receivables		
	- Zodiac Metropolitan Clothing Gmbh	490.81	368.42
	- Mashal Enterprises	2.99	2.58

\$ Mr. M. Y. Noorani deceased on November 20, 2019 and the process of obtaining a probate of his Will has been completed on June 30, 2021.

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 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, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Financial Assets and Liabilities as at March 31, 2022	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	Level 3	Total	
Financial Assets												
Investments												
- Equity instruments	1,058.50	-	1,058.50	-	-	-	-	1,058.50	-	-	1,058.50	1,058.50
- Debt instruments	72.34	-	72.34	-	-	-	-	72.34	-	-	72.34	72.34
- Mutual funds	-	165.66	165.66	165.66	-	-	165.66	-	-	-	-	165.66
- Venture capital fund	3,784.00	-	3,784.00	-	-	3,784.00	3,784.00	-	-	-	-	3,784.00
	4,914.84	165.66	5,080.50	165.66	-	3,784.00	3,949.66	1,130.84	-	-	1,130.84	5,080.50
Other Assets												
- Loans to Employees	9.83	4.55	14.38	-	-	-	-	-	-	-	14.38	14.38
- Derivative financial instruments	-	38.36	38.36	-	12.52	-	12.52	-	25.84	-	25.84	38.36
- Loans to related parties	1,163.77	-	1,163.77	-	-	-	-	-	-	-	1,163.77	1,163.77
- Other Financial Assets	1,128.42	89.16	1,217.58	-	-	-	-	-	-	-	1,217.58	1,217.58
- Trade receivable	-	2,161.80	2,161.80	-	-	-	-	-	-	-	2,161.80	2,161.80
- Cash and Cash equivalents	-	891.97	891.97	-	-	-	-	-	-	-	891.97	891.97
- Bank Balances other than cash and cash equivalents	-	40.01	40.01	-	-	-	-	-	-	-	40.01	40.01
	2,302.02	3,225.85	5,527.87	-	12.52	-	12.52	-	25.84	-	25.84	5,527.87
Financial Liabilities												
- Borrowings	536.11	4,210.00	4,746.11	-	-	-	-	-	-	-	4,746.11	4,746.11
- Other Financial Liabilities	28.64	99.68	128.32	-	-	-	-	-	-	-	128.32	128.32
- Trade Payables	-	2,839.78	2,839.78	-	-	-	-	-	-	-	2,839.78	2,839.78
	564.75	7,149.46	7,714.21	-	-	-	-	-	-	-	7,714.21	7,714.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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	Level 3	Total		
Financial Assets													
Investments													
- Equity instruments	502.74	-	502.74	-	-	-	-	502.74	-	-	502.74	-	502.74
- Mutual funds	-	620.63	620.63	620.63	-	-	620.63	-	-	-	-	-	620.63
- Venture capital fund	2,498.10	-	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
- Derivative financial instruments	-	25.31	25.31	-	8.59	-	8.59	-	16.72	-	16.72	-	25.31
- Loans to related parties	-	1,225.02	1,225.02	-	-	-	-	-	-	-	-	1,225.02	1,225.02
- Other Financial Assets	1,148.00	248.51	1,396.51	-	-	-	-	-	-	-	-	1,396.51	1,396.51
- Trade receivable	-	1,793.71	1,793.71	-	-	-	-	-	-	-	-	1,793.71	1,793.71
- Cash and Cash equivalents	-	1,723.16	1,723.16	-	-	-	-	-	-	-	-	1,723.16	1,723.16
- Bank Balances other than cash and cash equivalents	-	44.93	44.93	-	-	-	-	-	-	-	-	44.93	44.93
	1,148.00	5,105.35	6,253.35	-	8.59	-	8.59	-	16.72	-	16.72	6,228.04	6,253.35
Financial Liabilities													
- Borrowings	813.44	3,579.14	4,392.58	-	-	-	-	-	-	-	-	4,392.58	4,392.58
- Other Financial Liabilities	22.83	133.74	156.57	-	-	-	-	-	-	-	-	156.57	156.57
- Trade Payables	-	2,330.62	2,330.62	-	-	-	-	-	-	-	-	2,330.62	2,330.62
	836.27	6,043.50	6,879.77	-	-	-	-	-	-	-	-	6,879.77	6,879.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

(ii) Financial instruments at amortised cost for which fair values is disclosed:

Foreign currency	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investment Others				
- Loans to Employees	14.38	13.19	44.71	41.02
- Security Deposits	1,163.88	1,261.10	1,290.16	1,533.96
Total	1,178.26	1,274.29	1,334.87	1,574.98

(iii) 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.

(iv) 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, 2022 and March 31, 2021:

	Venture Capital Fund*
As at April 1, 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
Acquisitions	-
Disposal	(333.10)
Gain recognised in statement of profit and loss	1,619.00
As at March 31, 2022	3,784.00

*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, 2022

(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, 2022	As at March 31, 2021
Total Borrowings	4,746.11	4,392.58
% of Borrowings out of above bearing variable rate of interest	74.78%	81.06%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on loss before tax

Particulars	2021-2022	2020-2021
50 bp increase- increase in loss *	17.75	17.80
50 bp decrease- decrease in loss *	(17.75)	(17.80)

* 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 different 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, 2022

(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, 2022		As at March 31, 2021	
	Sell Contract	Buy Contract	Sell Contract	Buy Contract
Forward Contracts USD	35.64	-	19.63	-
Forward Contracts EURO	2.34	-	7.34	-
Forward Contracts GBP	6.72	-	6.89	-
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, 2022			As at March 31, 2021			
	USD	EURO	GBP	USD	EURO	GBP	HKD
Trade payables	5.29	0.04	**	3.35		0.02	0.02

(Foreign Currency in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	USD	EURO	GBP	USD	EURO	GBP
Trade Receivables	6.16	0.93	2.71	3.46	0.37	1.24

** 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	2021-22		2020-21	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(3.31)	3.31	(0.41)	0.41
EURO	(3.78)	3.78	(1.59)	1.59
GBP	(13.49)	13.49	(6.18)	6.18
HKD	-	-	0.01	(0.01)
Increase / (decrease) in loss	(20.58)	20.58	(8.17)	8.17

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

(i) 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, 2022

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

Particulars	Impact on other comprehensive income	
	March 31, 2022	March 31, 2021
BSE Sensex 30- Increase 10%	105.85	50.27
BSE Sensex 30- Decrease 10%	(105.85)	(50.27)

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.

- (ii) The table below summarises the impact of increases/decreases in the net asset value (NAV) /fair market value (FMV) of Group's investment in venture capital fund units and statement of profit and loss for the year arising from portfolio of investment in venture capital funds. The analysis is based on the assumption that the NAV / FMV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Group's venture capital funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2022	March 31, 2021
- Increase 10%	378.40	249.81
- Decrease 10%	(378.40)	(249.81)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

- (iii) The table below summarises the impact of increases/decreases in the net asset value (NAV) of Group's investment in mutual fund units and statement of profit and loss for the year arising from portfolio of investment in mutual funds. The analysis is based on the assumption that the NAV has increased by 10% or decreased by 10% with all other variables held constant, and that all the Group's mutual funds moved in same direction.

Particulars	Impact on loss before tax*	
	March 31, 2022	March 31, 2021
- Increase 10%	16.57	62.06
- Decrease 10%	(16.57)	(62.06)

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

- (iv) The table below summarises the impact of increases/decreases in the market value of Group's investment in bonds and statement of profit and loss for the year arising from portfolio of investment in bonds. The analysis is based on the assumption that the market value has increased by 10% or decreased by 10% with all other variables held constant.

Particulars	Impact on loss before tax*	
	March 31, 2022	March 31, 2021
- Increase 10%	7.23	-
- Decrease 10%	(7.23)	-

*Loss before tax would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

(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 and security deposits for rental premises, loan to related parties and loan to employees are subjected to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

(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, 2022

Ageing	Total
Gross carrying amount	580.13
Expected Credit loss - measured at life -time expected credit loss	413.60
Carrying amount of trade receivables (net of impairment)	166.53

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

Reconciliation of loss allowance – Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Opening provision	398.60	398.60
Add:- Additional provision made	15.00	-
Less:- Provision write off/ reversed	-	-
Less:- Provision utilised against bad debts	-	-
Closing provisions	413.60	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 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, 2022	As at March 31, 2021
Floating Rate		
Expiring within one year (Current Borrowing facilities)	1,445.58	939.42
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, 2022				As at March 31, 2021			
	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)	277.33	536.11	-	813.44	18.56	813.44	-	832.00
Current borrowings	3,932.67	-	-	3,932.67	3,560.58	-	-	3,560.58
Total	4,210.00	536.11	-	4,746.11	3,579.14	813.44	-	4,392.58

Maturity patterns of Financial Liabilities - other than borrowings

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments -

As at March 31, 2022	0-3 months	3 - 6 months	6 - 12 months	beyond 12 months	Total
Trade Payable	2,024.55	815.23	-	-	2,839.78
Lease Liabilities	453.69	180.45	351.95	3,079.96	4,066.05
Other Financial Liabilities	93.70	-	5.98	28.64	128.32
Total	2,571.94	995.68	357.93	3,108.60	7,034.15

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	1,515.39	815.23	-	-	2,330.62
Lease Liabilities	918.38	337.14	629.12	5,338.85	7,223.49
Other Financial Liabilities	123.60	-	10.14	22.83	156.57
Total	2,557.37	1,152.37	639.26	5,361.68	9,710.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022:

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	2,504.75	25.84	1:1	25.84	25.84

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

(b) Disclosure of effects of hedge accounting on financial performance:

Cash flow hedge March 31, 2022

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 statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Foreign exchange risk	25.84	-	(14.08)	Revenue
Foreign exchange risk - Options contracts	-	-	(2.64)	Revenue
	25.84	-	(16.72)	

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 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	14.08	-	68.39	Revenue
Foreign exchange risk - Options contracts	2.64	-	-	Revenue
	16.72	-	68.39	

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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 1, 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
Change in fair value of foreign exchange forward contract	25.84	-	-	25.84
Change in intrinsic value of foreign currency options	-	-	-	-
Amount reclassified to profit or loss	(14.08)	-	(2.64)	(16.72)
Deferred tax relating to the above (net)	(3.33)	-	0.72	(2.61)
Balance – As at March 31, 2022	18.65	-	0.00	18.65

Amount in bracket represents expense/ loss

46 Capital 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..

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.

- 47 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.

48 Impact of COVID-19

The State Government authorities had imposed various restrictions to control the spread of COVID-19 pandemic during the year which had impacted the operations of the Group, however, with the subsequent easing of restrictions by State government authorities, the Group's activities (including retail stores) have since been fully operational.

The Group's Management has done an assessment of the current 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, 2022, and concluded that there are no material adjustments required in the consolidated financial results. However, the impact assessment due to COVID-19 is a continuing process and the Group will continue to monitor any material changes as the situation evolves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

49 Additional Regulatory Information and Disclosures as required by Schedule III:**a) Borrowing secured against current assets:**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Parent Company with banks are in agreement with the books of accounts except for following statements in below table:

Name of the Bank	Nature of current Asset offered as Security	Quarter ended	Amount reported as per quarterly return / statement *	Amount as per books of accounts *	Difference (A-B)	Reason for difference
Citi Bank, RBL and HDFC Bank	All Current Assets	June 30, 2020	9,935.68	11,014.27	(1,078.60)	Refer note below
		September 30, 2020	10,400.13	11,264.13	(864.01)	
		December 31, 2020	10,143.62	10,628.29	(484.66)	
		March 31, 2021	9,935.37	10,222.60	(287.23)	
RBL and HDFC Bank	All Current Assets	June 30, 2021	9,069.45	9,926.03	(856.58)	Refer note below
		September 30, 2021	9,120.68	9,952.61	(831.93)	
		December 31, 2021	9,317.17	10,110.33	(793.16)	

* Aggregate amount comprises of Inventories, Trade Receivables, Export Benefit Receivables and Refund Receivables of Goods and Services Tax. Further, the return/ statement for the quarter ended March 31, 2022, is yet to be submitted by the Parent Company..

Note: Amounts reported in the quarterly statements submitted to the banks are lower than the balance as per unaudited books of accounts and consideration of such reporting was to cover at a minimum the security requirements as specified in the sanction letters.

- b)** The other matters as required under paragraph “L - Additional Regulatory Information” under Part I of Division II of Schedule III of the Companies Act, 2013 and Paragraph 7(l) and 7(n) of Part II of Division II of Schedule III to Companies Act 2013 as relevant to the Consolidated Financial Statements are either not applicable or there are no reportable matters.

50 These consolidated financial statements were authorised for issue by the directors on May 30, 2022.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sachin Parekh

Partner

Membership No. 107038

Mumbai

May 30, 2022

For and on behalf of the Board of Directors**A. Y. NOORANI**

Chairman

DIN: 00041608

B. MAHABALA

Chief Financial Officer

Mumbai

May 30, 2022

S. Y. NOORANI

Managing Director

DIN: 00068423

KUMAR IYER

Company Secretary

[illegible]

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