

*Jaipurkurti.com - A Tryst with India's Tradition*



**2020-2021**

**9<sup>TH</sup> ANNUAL REPORT  
NANDANI CREATION LIMITED**



**Style is a way  
to say who you are  
without having  
to speak.**

**SHOP NOW**

[www.jaipurkurti.com](http://www.jaipurkurti.com)



# STORIES INSIDE

	• CORPORATE INFORMATION
	• VISION STATEMENT
	• FINANCIAL SNAPSHOT
	• JOURNEY SO FAR
	• OUR PRODUCTS
	• E-RETAILING CHANNELS
	• GLIMPSE OF RETAIL STORE
	• PRESENCE OF JAIPURKURTI.COM
	• CHAIRMAN'S MESSAGE
1-10	BOARD'S REPORT
11-12	ANNEXURE 1 (FORM AOC-1)
13-14	ANNEXURE 2 (FORM AOC-2)
15-16	ANNEXURE 3 (SECRETARIAL AUDIT REPORT)
17-32	ANNEXURE 4 ( CORPORATE GOVERNANCE REPORT)
33	CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS
34-41	ANNEXURE 5 ( MANAGEMENT DISCUSSION & ANALYSIS REPORT)
42-43	ANNEXURE 6 ( PARTICULARS OF EMPLOYEES)
44-45	ANNEXURE 7 ( CEO/CFO CERTIFICATION)
46-85	STANDALONE FINANCIAL STATEMENTS
86-119	CONSOLIDATED FINANCIAL STATMENTS
120-140	NOTICE OF ANNUAL GENERAL MEETING
	• ROUTE MAP
	• NEWSPAPER PUBLICATIONS

## Forward - looking Statement

This report contains forward-looking statements, which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that mention expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be raised. The company's actual results, performance or achievements could differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to amend or revise any forward-looking statement from time to time based on any subsequent developments, information or events.

# CORPORATE INFORMATION:

**COMPANY NAME:** NANDANI CREATION LIMITED

**CIN:** L18101RJ2012PLC037976

**ISIN:** INE696V01013

**OUR SYMBOL ON NSE:** JAIPURKURT

**Mail ID:** [info@jaipurkurti.com](mailto:info@jaipurkurti.com) [cs@jaipurkurti.com](mailto:cs@jaipurkurti.com) **Contact No:** 0141-4037596

**STOCK EXCHANGE:** NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

**REGISTERED OFFICE:** G-13, KARTARPURA INDUSTRIAL AREA, NEAR 22 GODAM, JAIPUR-302006, RAJASTHAN

## BOARD OF DIRECTORS

NAME	DESIGNATION
Mr. Anuj Mundhra	Chairman & Managing Director
Mrs. Vandana Mundhra	Whole-Time Director
Mrs. Sunita Devi Mundhra	Whole-Time Director
Mr. Neetesh Kabra	Independent Director
Mr. Gagan Saboo	Independent Director
Mr. Gaurav Jain	Independent Director

## OTHER KEY MANAGERIAL PERSONNEL

NAME	DESIGNATION
Mr. Dwarka Dass Mundhra	Chief Financial Officer
Ms. Gunjan Jain	Company Secretary & Compliance Officer

### REGISTRAR & SHARE TRANSFER AGENT:

BIGSHARE SERVICES PVT. LIMITED  
MUMBAI-400059, MAHARASHTRA

### STATUTORY AUDITOR'S

M/s ASHOK HOLANI & CO.,  
CHARTERED ACCOUNTANTS, JAIPUR

### SECRETARIAL AUDITOR'S

MANISHA GODARA AND ASSOCIATES  
COMPANY SECRETARY IN PRACTICE, NEW DELHI

### INTERNAL AUDITOR'S

JAIN SHRIMAL & CO,  
CHARTERED ACCOUNTANTS, JAIPUR

### PRINCIPAL BANKERS:



### AUDIT COMMITTEE:

GAURAV JAIN (CHAIRMAN)  
GAGAN SABOO  
NEETESH KABRA

### NOMINATION & REMUNERATION COMMITTEE:

GAURAV JAIN (CHAIRMAN)  
GAGAN SABOO  
NEETESH KABRA

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

GAURAV JAIN (CHAIRMAN)  
ANUJ MUNDHRA  
VANDANA MUNDHRA



# VISION STATEMENT

With a humble beginning, Nandani Creation is determined and believes that the secret to great style is to feel good in what you wear.

## CUSTOMER SATISFACTION

Immaculate sense of color combination and choice of patterns, creating ethnic as well as contemporary designer range that is appealing yet affordable at the same time.

## STAKEHOLDERS CONFIDENCE

Through adequate returns and growth of Investments.

## ASSOCIATE CONFIDENCE

Through sharing of knowledge & concern for mutual benefits.

## TRENDSETTER IN ETHNIC WEAR

The Company's "JaipurKurti.com" Brand ranks among Top 10 Brands at every Online Marketplace and especially its Bottom wear Category ranks at No. 1 as per the Online Industry trends.

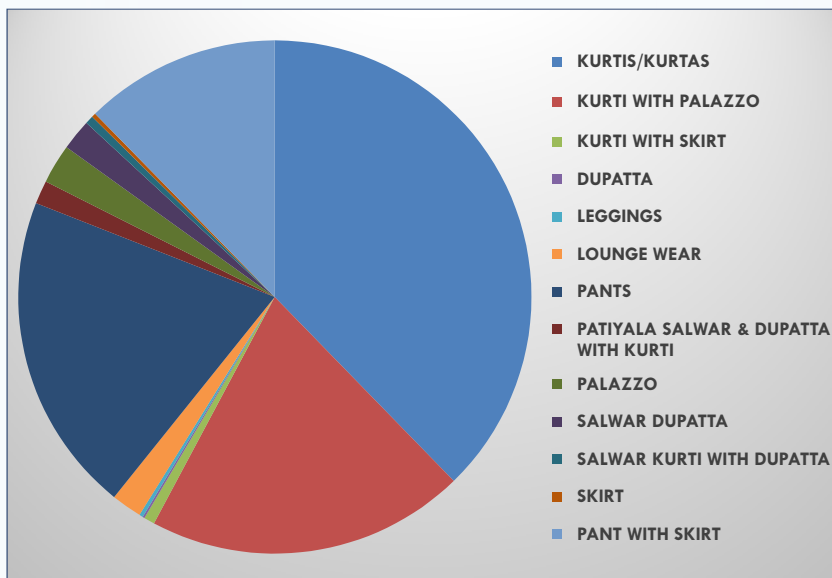


# FINANCIAL SNAPSHOT

It's the key figures that tell the compelling story about Nandani's Achievement.

Nandani is committed to developing products that address the changing customer preferences, and hence, innovates & partners with its customers through its diverse yet integrated business model. Through its products, it touches the lives of customers, enhancing comfort and convenience.

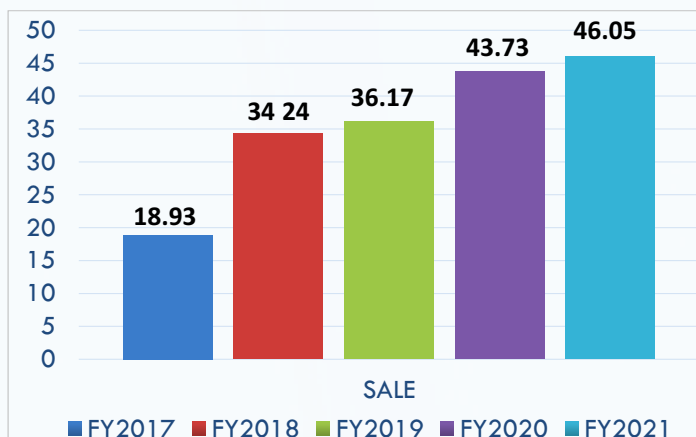
## UNITS SOLD IN PIECES (01.04.2020 - 31.03.2021)



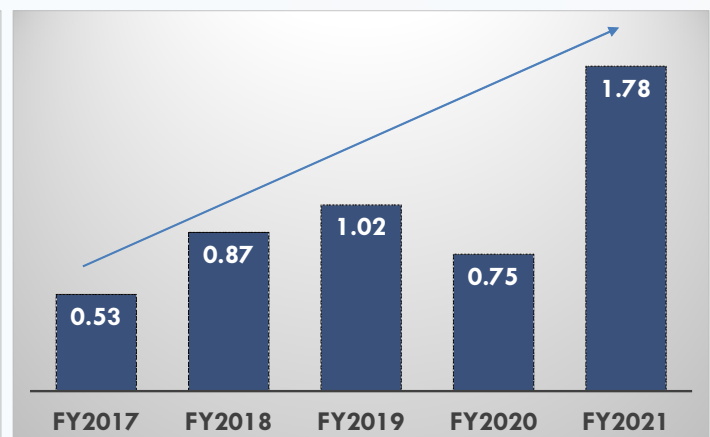
ITEMS	UNITS SOLD (01.04.2020-31.03.2021)
KURTIS/KURTAS	212148
KURTI WITH PALAZZO	112909
KURTI WITH SKIRT	3858
DUPATTA	705
LEGGINGS	1336
LOUNGE WEAR	10770
PANTS	113557
PATYALA SALWAR & DUPATTA WITH KURTI	8262
PALAZZO	13985
SALWAR DUPATTA	11002
SALWAR KURTI WITH DUPATTA	2898
SKIRT	1479
PANT WITH SKIRT	69436
<b>TOTAL</b>	<b>562345</b>

## YEAR ON YEAR GROWTH

### REVENUE



### PAT



# JOURNEY SO FAR



**2021**

Expanding retail presence by opening our 4th retail store and moving to Main Board of NSE

**2020**

Expanding retail presence by opening our 3rd retail store

**2019**

Expanding retail presence by opening our 2nd retail store

**2018**

Expanding retail presence by opening our 1st retail store

**2016**

Converted into Nandani Creation Ltd. and got listed on NSE emerge platform

**2012**

Incorporated as Nandani Creation Pvt. Ltd. with Jaipurkurti.com Brand

**2004**

Our journey started as Nandini Creation, a prop. firm





# OUR PRODUCTS ON E-RETAILING CHANNELS



KURTIS/KURTAS | KURTA PALAZZO SET | SKIRT | LOUNGE WEAR | BOTTOMS  
DRESSES | WOMEN'S TOP/SHIRT | SHRUGS



## E- RETAILING CHANNELS

Following is the breakup of our revenue from different channels, including 3rd party e-commerce websites, our own website, and our retail store for the FY 2020-21

50.38%



Myntra

10.16%



6.06%



6.87%



4.43%



4.53%



3.10%



1.41%



1.36%



0.32%



11.35%



# GLIMPSE OF RETAIL STORES

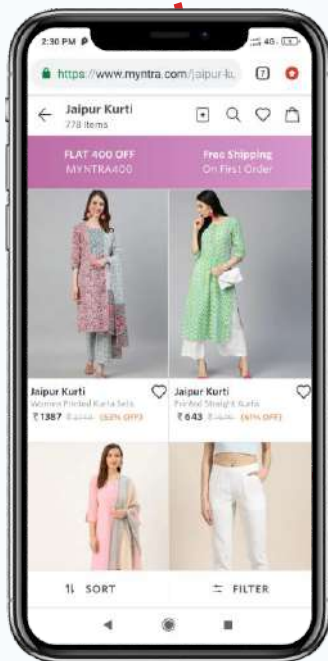




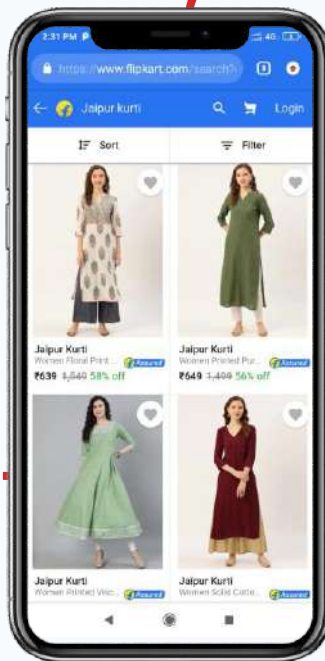
# PRESENCE OF JAIPURKURTI.COM



JAIPURKURTI.COM



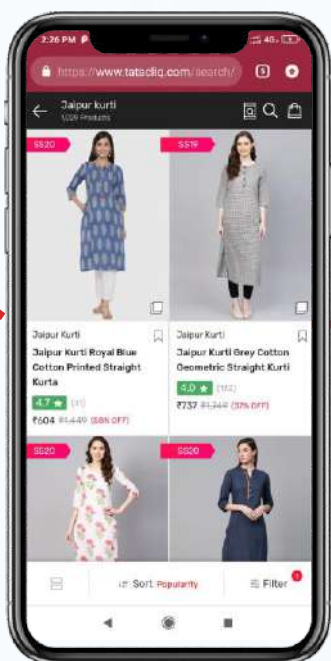
MYNTRA



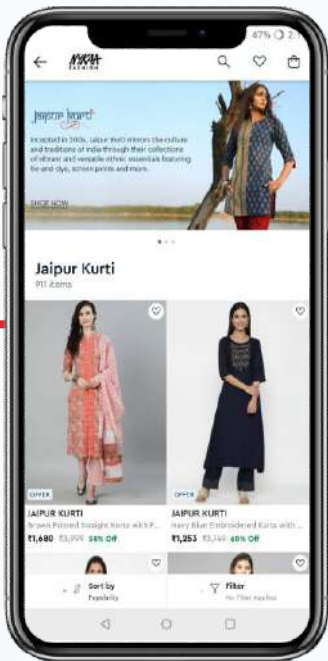
FLIPKART



AMAZON



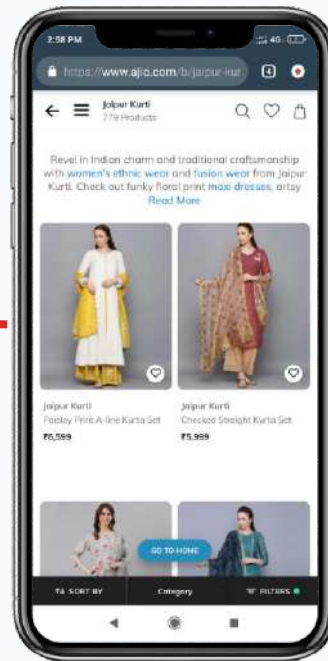
TATA CLIQ



NYKAA



LIME ROAD



AJIO





## CHAIRMAN'S MESSAGE

Dear Shareholders,

It brings me immense pleasure to put forth the **9<sup>th</sup> Annual Report** of your Company, **NANDANI CREATION LIMITED** for the Financial Year 2020-21.

Financial year 2020-21 will be written in the world history in many ways but the predicament to human lives due to COVID-19 coupled with economic tribulations would be the worst chapters to reckon with. For all of this year's upheaval, we committed ourselves by staying the course, we refocused the sight of our purpose and we demonstrated that the core will guide us through these turbulent times.

The first quarter was the darkest hour of the fiscal when neither businesses had an idea how to deal with the pandemic nor they were aware of the severity of the impact. Given the lack of short-term visibility, it was the time to introspect and undertake immediate measures to stay on course. The global pandemic has presented such a crisis and that too on a scale many of us have never experienced or could have predicted. The toll of COVID-19 on human life is heart breaking and has had an adverse impact on households, businesses, and economies globally.

### **YET COVID- 19 PANDEMIC IS A BLESSING IN DISGUISE FOR INDIAN E-COMMERCE MARKET:**

COVID 19 pandemic is a **"BLESSING"** for Indian E Commerce Market as it bought a lot of positive impact on the e-commerce sector. Though the initial few weeks of the lockdown were testing for e commerce players, we were eventually able to emerge as winners. According to us India's online market recovered quickly after the nationwide lockdown and also witnessed a successful festive sales period ever. It goes without saying that cloths/daily wear kurtis like ours is one of the basic needs and requirements after food. It is nothing less than any essential commodity, and that's why even during lockdown online textile industry saw a boom in sales and will continue in the future as well". The online textile industry even registered an increasing trend in sales due to no dependency on the offline industry for example wholesaler, semi wholesaler, retailers, middle persons etc and this will continue in future as well. The online textile industry has all the valid reasons to give birth to new Unicorns in India. Right from choosing items to trying them, even the return policies created a win-win situation for shoppers on the internet as customers felt very comfortable purchasing stuff online. And, hence, the birth of online retailers Unicorns is imminent.

Many e-commerce players have started assessing consumer preferences and have started aligning product categories and offer accordingly. We the owners of **"JaipurKurti.com"** brand have also assessed this and have started a new segment "Ethnic Lounge Wear/comfortable wear" as most of the people are doing work from home during this pandemic times.

### **BUILDING FINANCIAL RESILIENCE:**

FY 2020-21 was a year of focused initiatives to implement measures to bring in financial judiciousness amidst the pandemic that took a toll on economic activities. We were quick to execute group wide actions aligned to three key pivots of – cost rationalization, effective working capital management to maintain liquidity and reduce debt.

The year witnessed strengthened focus on efficient inventory management & related production cycles and speeding up collections. This resulted in improved cashflows which enabled the Company to reduce the net debt.

**ONLINE OUTSET:** Currently Company's **"JaipurKurti.com"** Brand ranks among Top 10 Brands at every Online Marketplace and especially its Bottom wear Category ranks at No. 1 as per the Online Industry trends. We are using various marketing strategies to register a strong foothold in the Indian E-commerce Market. We are focusing on E-Marketing for enhancing our Brand Visibility.



Indian customers have started purchasing online as they have understood the importance of online purchase and are attracted towards the benefits, discounts, Return/Exchange policies etc and have changed their purchase experience over the years. They can now get the complete Store where they can choose according to the color, size, brand etc at one place only and too with just a click.

### **BRICKS AND CLICKS-FUTURE OF RETAIL:**

We have opened 2 offline stores in the FY2020-21 and are eyeing the next phase of expansion to take the count of our stores total to 20-25 by the end of the FY2023.

It gives us immense pleasure and happiness when we see local brand like ours going places across the globe. Now with further expansion and hiring, we at Nandani Creation are geared to perform even better and offer the best of the best of the fashion to our customers.

Now, customers can physically experience the excellent quality that we offer, even before they buy their loved brand .

We are proud of the consistent excellence achieved by your Company in FY21. When compared with FY20, it is clear we are staying true to its values.

Fashion is ever-evolving, and we will be sensitive, agile and open to the rapidly evolving fashion market. The spirit of our design thinking lies not only in the brands and experiences we create, but also in building relationships, leading innovation, setting trends and providing fulfillment to consumers.

Truly complying with the name, **NANDANI CREATION LIMITED** believes that the secret to great style is to feel good in what you wear and thus we brings to you authentic and re-defined styles with a perfect mix of regional crafts , intricate craftsmanship and luxe fabrics in timeless color palettes .

Been an ace player in the fashion industry for more than 10 years, Nandani has left no stone unturned to assure their customers and clients by constructing the most desirable outfit as per their preferences.

### **MAIN BOARD MIGRATION:**

We are quite excited to move to the main Board of National Stock Exchange of India Limited and have received the In-Principal approval & Principal/Final Listing & Trading Approval from NSE for the same. The company will be migrated to the Main Board w.e.f. 02<sup>nd</sup> September, 2021, a vision which we have seen at the time of IPO in the **FY 2016-17**. At this stage, we thank our customer base, stakeholders, and well-wishers for their continued support in making our company a big brand.

### **FINANCIAL UPFRONTS**

- Our **Total Revenue (Standalone)** for the year were **Rs. 46.10 Cr.** as compared to **Rs. 43.74 Cr.** in the previous year thereby recorded **growth of 5.41%**.
- Our **Total Revenue (Consolidated)** for the year were **Rs. 48.27 Crores** as compared to **Rs. 47.09 Cr.** in the previous year thereby recorded **growth of 2.51%**.
- Our **Net Profit after Tax (Standalone)** for the year was **Rs. 1.78 Cr.** as compared to **Rs. 74.16 Lacs** in the previous year thereby recorded **growth of 140.54%**.
- Our **Net Profit after Tax (Consolidated)** for the year was **Rs. 1.91 Cr.** as compared to **Rs. 85.22 Lacs** in the previous year thereby recorded **growth of 124.70%**.

I would like to take this opportunity to thank our board and advisors along with our management for standing strong during difficult times and my special gratitude to every employee at every level for enabling us to stay strong and rise to the challenges that we faced, to emerge on a higher level of growth and sustainability.

Warm Regards,

Sd/-

Mr. Anuj Mundhra

Chairman & Managing Director

## BOARD'S REPORT

**Dear Members/Shareholders,**

The Board of Directors is pleased to present the 9<sup>th</sup> **Annual Report** of the Company for the financial year ended **31<sup>st</sup> March, 2021**.

### 1. COMPANY OVERVIEW

#### TEN (10) YEARS OF ESTABLISHMENT

A country is best known by its culture, and a culture is best known by its tradition. In an endeavor to bring the best of our country's cultural fabric, quite literally, we launched JaipurKurti.com a brand centered around representing Indian traditional wear for all occasions. JaipurKurti.com was created to explore the varied dynamics of Indian ethnic wear, presenting this heritage to modern women at its widest range.

A Forerunner in the ethnic fashion scene of the country, we are "Nandani Creation Limited" a NSE Listed Company, curated with dedication, commitments, modern inspirations and heritage musings. We are a leading fashion house specializing in traditional designs, culturally rich styles and ethnic wear for women. With our unique prints and patterns being fused into every-day fashion by our manufacturing facilities, we have created a diverse range of ethnic wear loved by women. We are best for specializing in the production and sale of a wide range of ethnic Indian wear consisting of Kurtis, Dresses, Suit Sets, Patiala Salwars, Salwar Kameez, Dupattas, Palazzos and a wide variety of Bottoms.

We are popularly known and Identified in apparel market by our brand name "Jaipurkurti.com" and have **4 Retail Stores** in Jaipur situated at

"Jaipur Kurti.com", Vaishali Nagar, Jaipur;  
"Jaipur Kurti.com", Triton Mall, Jhotwara, Jaipur  
"Jaipur Kurti.com", MGF Mall, 22 Godam, Jaipur  
"Jaipur Kurti.com", Gaurav Tower (GT), Jaipur

In order to cater the needs of the country to combat the spread of Coronavirus, our company has entered into a new business segment and started manufacturing "**N95 Mask with and without respirators**" with a new brand name "**Value Plus**" and are able to take orders from all the Government Agencies, Institutions etc.

We have taken BIS Certification for the same and our BIS License for the same is **CM/L-8400165811**.

We have supplied N-95 mask to various Govt. Organizations some of them are "**BUREAU OF PUBLIC PHARMACEUTICALS OF INDIA**" ("**BPPI**") -Under Department of Pharmaceuticals, Government of India, Uttar Pradesh Medical Corporation Limited (UPMSCL), Western/Eastern/Northern Railways, Pondicherry Health Pharmacy, All India Institute of medical Sciences (AIIMS), Department of Defence Production, ESIC-Delhi, Bhopal Memorial Hospital etc."

### 2. IMPACT OF COVID-19

The post-Covid era has provided a big opportunity for the online textile industry. The sales in the online textile industry witnessed a jump in various cities and states of India due to the lockdown that was imposed to curb the spread of coronavirus-caused Covid-19 pandemic in Retail Sector majorly in all the states and cities.

In the year 2021, e-retailers will prove to be a big game-changer by playing a pivotal role recovery of the Indian economy in the post-Covid era. Indian textiles and apparel industry have contributed 2.3% to the GDP of India, 13% to industrial production and 12% to export earnings. Post Covid-19 pandemic, with the Indian economy showing green shoots of recovery the future of the online textile industry looks promising in the wake of increased domestic consumption after a lockdown in addition to export demand playing an important role.

By staying true to its purpose and its values, the top – most priority for the Company was to ensure the safety of its employees.

The Company has taken several measures to ensure their well – being including leveraging the power of technology to enable them to work from home.

Standing by its core commitment, the company is navigating through these unprecedented times by building stronger and deeper relationship with consumers and its partners. The company is supporting various Government initiatives and helping communities around to fight the pandemic.



### 3. FINANCIAL PERFORMANCE.

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited standalone & consolidated Financial Statements of the Company for the financial year 2020-21, together with the Auditors' Report form part of this Annual Report.

The company's financial performance on a consolidated basis for the year ending as on March 31, 2021 is outlined as follow:

Particulars	Year Ended 31.03.2021 (in crores)	Year Ended 31.03.2020 (in crores)
Revenue from operations	47.81	46.87
Other Income	0.45	0.22
<b>Total Revenue</b>	<b>48.26</b>	<b>47.09</b>
<b>Less: Total Expenses</b>	<b>45.63</b>	<b>45.71</b>
<b>Profit before Exceptional &amp; extra-ordinary items &amp; Tax</b>	<b>2.63</b>	<b>1.38</b>
<b>Less: Exceptional Item</b>	<b>0.05</b>	<b>0.12</b>
<b>Profit/(Loss) before Tax</b>	<b>2.58</b>	<b>1.26</b>
<b>Less: Tax Expenses</b>	<b>67.65</b>	<b>40.58</b>
<b>Profit/(Loss) After Tax</b>	<b>1.90</b>	<b>0.85</b>

### 4. CONVERSION, NAME CHANGE/SYMBOL CHANGE OF COMPANY & NATURE OF BUSINESS:

During the financial year, your company hasn't changed its name.

Your company has changed its Symbol on NSE from "NANDANI" to "JAIPURKURT" w.e.f. 06<sup>th</sup> August, 2021.

The Symbol was changed on NSE due to the following reasons:

- The symbol is the face of the company, its products or offerings and develops the connection with customers.

- In the current trends, more and more women investors are coming forward in the share market & started maintaining their portfolios and at the same time new symbol is catchier and can be easily recognized and remembered by the investors and especially the women investors.

During the year under review, there was no change in the nature of business of the Company.

### 5. MAIN BOARD MIGRATION & POSTAL BALLOT

The Company has conducted the Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 for obtaining the approval of Shareholders for the purpose of migrating the Equity Shares from SME Platform (Emerge) of National Stock Exchange of India Limited to main board of NSE.

The Postal Ballot was started from Thursday, 04<sup>th</sup> February, 2021 at 9:00 AM and ended on Friday, 05<sup>th</sup> March, 2021 at 5:00 PM.

The Special Resolution was passed on 05<sup>th</sup> March, 2021 by the Shareholders/Members.

The Company has obtained the In-principal approval from the Exchange on 17<sup>th</sup> August, 2021 and the Principle/Listing Approval for Migration from SME Platform to Capital Market Segment (Main Board) of the Exchange on 31<sup>st</sup> August, 2021 (Ref. No. NSE/LIST/115). The Equity shares shall be listed and admitted to dealing on the Exchange (capital market Segment) w.e.f. 02<sup>nd</sup> September, 2021.

The Listing on Main Board is likely to have wider participation from Investors at large and will enhance the Image and Goodwill of the Company.

This will be prove to the major milestone in the history of Nandani Creation Limited.

### 6. COMPANY'S PERFORMANCE REVIEW

During the Financial Year 2020-21:

- For the financial Year 2020-21, your Company recorded Standalone Sales of Rs. 46.09 Cr as against Rs. 43.74 Cr in the previous years and thereby recorded growth of 5.40% in the Sales.
- The Consolidated Sales of your Company is Rs. 48.26 Crores as compared to Rs. 47.09 Crores the previous year and thereby recording the growth of 2.48 % in the Sales.
- The Standalone Profit of the Company after Taxation is Rs. 1.78Cr. as compared to Rs. 74.16 Lacs in the previous year and thereby recording the growth of 140% and the Consolidated Profit of the Company after Taxation

is Rs. 1.90 Cr as compared to Rs. 85.22 Lacs in the previous year and thereby recording the growth of 122% as a whole.

## 7. SECRETARIAL STANDARDS

Pursuant to the provisions of **Section 118 of the Companies Act, 2013**, the Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

## 8. DIVIDEND

With a view to provide cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review.

## 9. TRANSFER TO RESERVES

The Board of Directors of the Company has transferred amount of Rs. 1,78,00,634/- to its Reserve & Surplus account during the Financial Year 2020-21.

## 10. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations") and applicable Accounting Standards, the Company is required to submit Audited Consolidated financial statements of the Company, together with the Auditor's report from part of this Annual Report.

## 11. SHARE CAPITAL:

The paid-up Equity Share capital as at 31st March, 2021 stood at Rs. 1,003,39,500. During the year under review, the Company issued 18,00,000 Equity Shares via conversion of Unsecured Loan into Equity Shares on 16<sup>th</sup> February, 2021. Further the Company has not issued any convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

### DETAILS OF LOCK – IN OF SHARES

The Equity Shares proposed to be offered and allotted in the Preferential Allotment shall be locked-in in accordance with Regulation 167 of the SEBI ICDR Regulations.

The Entire pre-preferential allotment shareholding of the Proposed Allottees, if any, shall be locked-in from the relevant date up to a period of Six Months from the date of trading approval granted by the Stock Exchange.

Following are the details of the Lock in of Shares:

NAME OF APPLICANT	QUANTITY	LOCK IN DATE	TILL
ANUJ MUNDHRA	2547225	31.10.2021	
ANUJ MUNDHRA	475000	30.11.2023	
ANUJ MUNDHRA	700000	15.04.2024	
VANDANA MUNDHRA	1291975	31.10.2021	
VANDANA MUNDHRA	135000	30.11.2023	
VANDANA MUNDHRA	550000	15.04.2024	
SUNITA DEVI MUNDHRA	397250	31.10.2021	
SUNITA DEVI MUNDHRA	250000	30.11.2023	
SUNITA DEVI MUNDHRA	550000	15.04.2024	
<b>TOTAL</b>	<b>6896450</b>		

## 12. SUBSIDIARY COMPANY:

The Company has one Wholly Owned Subsidiary Company:

### Desi Fusion India Private Limited

Desi Fusion India Private Limited was incorporated in Jaipur on 31.05.2016. Our Subsidiary Company is engaged in the business of Buying and Selling of Fabrics.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the Act) Accounting Standards and Securities and Exchange Board of India (SEBI)(Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Company has prepared consolidated financial statements which form part of this Annual Report.

In accordance with Schedule V of Listing Regulations, the Company is required to make the Disclosure for its Holding Company and Subsidiary Company.

A separate statement containing salient features of the financial statements of the Company's subsidiary in prescribed form AOC- 1 and the Disclosure under Schedule V is annexed as [Annexure 1](#) to this report.

The audited financial statement including the consolidated financial statements of the Company and all other documents required to be attached thereto is available on the Company's website i.e. [www.nandancreation.com](http://www.nandancreation.com). The financial statement of the subsidiary company is available on the Company's Website i.e. [www.nandancreation.com](http://www.nandancreation.com).



### **13. OPENING OF NEW STORES WITH BRAND "JAIPURKURTI.COM"**

Our Company Nandani Creation Limited has launched its 1st Flagship Retail Store "AMAIVA" by Jaipur Kurti on 13<sup>th</sup> May, 2018 which later got renamed as "JaipurKurti.com" in January, 2020.

The Company has launched one more new store in the F.Y. 2021-22 to expand its business at "Jaipur Kurti.com", Gaurav Towers (GT) on 01<sup>st</sup> July, 2021.

Hence, the Company now have 4 Retail Stores in total.

### **14. MATERIAL CHANGES & COMMITMENTS AFFECTING THE COMPANY:**

In pursuance to Section 134(3)(l) of the Companies Act, 2013, the following Material Changes have occurred between the end of Financial Year and date of this Report affecting the financial position of the Company.

#### **ALTERATION OF MEMORANDUM OF ASSOCIATION (MOA) OF COMPANY:**

The Company has altered its Memorandum of Association by insertion of new clause.

The Clause III(A) of Memorandum of Association of the Company dealing with the main Object to be pursued by the Company be amended by inserting the following Clause:

**4. To Manufacture, Buy, Sell, Supply, Stock or otherwise deal in all kind of Personal protective equipment (PPE) / N95 Mask with and without respirators, 3 ply disposable mask and other similar items.**

#### **PREFERENTIAL ISSUE**

Further as per Extra Ordinary General Meeting dated Friday, the 22nd Day of January, 2021 and the board meeting for allotment dated 16<sup>th</sup> February, 2021 company increased Paid-up capital from Rs 823,39,500/- to Rs 10,03,39,500/- by way of Preferential Issue of 18,00,000 (Eighteen Lacs) new equity shares of Face Value of Rs. 10/- (Ten) each by way of conversion of Unsecured Loans into Shares. The Trading approval for the same was received from NSE on 22.03.2021 vides Ref No.: NSE/LIST/ 26477.

### **15. PUBLIC DEPOSIT**

The Company has not accepted any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of Deposits which are not in compliance with Chapter V of the Act is not applicable.

### **16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements forming a part of this annual report.

### **17. RELATED PARTY TRANSACTIONS:**

All Contracts/transactions/arrangements entered by the Company during the financial year with the Related Parties were in ordinary course of Business and on an Arm's Length Basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued there under and the regulations. Further, there were no transactions with related parties which qualify as material transactions under the regulations.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions was placed before the Audit Committee on quarterly basis, specifying the nature, value, terms and conditions of the same. The Company has made transactions with related parties pursuant to Section 188 of the Act.

The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which has been uploaded on the Company's website at the web link <https://www.nandancreation.com/docs/investors/policies/POLICY-ON-MATERIALITY-OF-RELATED-PARTY-TRANSACTIONS.pdf>

Information on transactions with related parties pursuant to Section 188(1) for entering into such contract or arrangement in Form AOC-2 is annexed to this Report as [Annexure-2](#). All the transactions with the related party were in accordance with the Section 188 of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations.

**18. AUDITOR'S AND AUDITOR'S REPORT:****SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

The Board of Directors of the Company has appointed **M/s Manisha Godara & Associates, Company Secretaries, New Delhi (FRN: S2014RJ268900)** as the Secretarial Auditor to conduct an audit of secretarial records for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> Day of March, 2021 under Act, read with Rules made thereunder and Regulations 24A of the listing regulations (including any statutory modification(s) or re – enactment(s) thereof for the time being in force) is set out in the [Annexure 3](#) to this report.

The Secretarial Audit Report does not contain any qualification.

The Board has re – appointed **M/s Manisha Godara & Associates, Company Secretaries, New Delhi (FRN: S2014RJ268900)** as Secretarial Auditors of the Company for FY 2021-22. The company has received consent from Mrs. Manisha Godara to act as the auditor for conducting audit of the secretarial records for the financial year ending as on 31<sup>st</sup> Day of March, 2022.

**STATUTORY AUDITORS & STATUTORY AUDIT REPORT**

**M/s Ashok Holani & Co., Chartered Accountants, Jaipur (FRN: 009840C)**, were re-appointed for the 2<sup>nd</sup> Tenure as the statutory Auditors of the Company at 8<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2020 for a period of 5 years till 13<sup>th</sup> Annual General Meeting to be held in the FY 2025, subject to ratification at every AGM.

**M/s Ashok Holani & Co., Chartered Accountants, Jaipur (FRN: 009840C)**, has confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31<sup>st</sup> March, 2021. The Auditors' Report for the financial year ended 31<sup>st</sup> March, 2021 on the financial statements of the Company is a part of this Annual Report.

**INTERNAL AUDITORS & INTERNAL AUDIT REPORT**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 & the rules made there under (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the Board of Directors had appointed **M/s Mohata Baheti & Associates, Chartered**

**Accountants, Jaipur (M.No.:401695)**, as Internal Auditor to conduct Internal Audit for the financial year 2020-21.

The Company has received the resignation letter from **M/s Mohata Baheti & Associates, Chartered Accountants, Jaipur** and ceases to be the Internal Auditor.

Further, in line with the aforesaid compliance, the Board of Directors has appointed **M/s Jain Shrimal & Co., Chartered Accountants, Jaipur (FRNo.: 001704C)**, in its meeting held on 01<sup>st</sup> September, 2021 for conducting the Internal Audit for the Financial Year ending as on 31<sup>st</sup> March, 2022

**19. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- **Retirement by Rotation:**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Anuj Mundhra (DIN: 05202504) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for consideration by the Members of the Company at the 9<sup>th</sup> Annual General Meeting.

- **Re-appointment of Independent Directors**

In accordance with the provision of Section 149, 152 of the Companies Act, 2013 in the 9<sup>th</sup> AGM, Mr. Gagan Saboo, Mr. Neetesh Kabra & Mr. Gaurav Jain shall be re-appointed as the Independent Directors on the Board of the Company for another term of five years i.e. from 01<sup>st</sup> October, 2021 to 30<sup>th</sup> September, 2026.

- **Re-appointment of Mr. Anuj Mundhra (DIN: 05202504), Chairman & Managing Director:**

In accordance with the provision of Section 196 of the Companies Act, 2013 in the 9<sup>th</sup> AGM, Mr. Anuj Mundhra shall be reappointed as the Chairman & Managing Director for a period of 5 years from August 15, 2021 to August 14, 2026.

- **Re-appointment of Mrs. Vandana Mundhra (DIN: 05202403), Whole-Time Director:**

In accordance with the provision of Section 196 of the Companies Act, 2013 in the 9<sup>th</sup> AGM, Mrs. Vandana Mundhra shall be reappointed as the Whole-Time Director for a period of 5 years from August 15, 2021 to August 14, 2026.



• **Re-appointment of Mrs. Sunita Devi Mundhra (DIN: 05203015), Whole-Time Director:**

In accordance with the provision of Section 196 of the Companies Act, 2013 in the 9th AGM, Mrs. Sunita Devi Mundhra shall be reappointed as the Whole-Time Director for a period of 5 years from August 15, 2021 to August 14, 2026.

• **Profile of the Directors seeking Appointment / Reappointment:**

As required under Regulation 36 (3) of SEBI (LODR), 2015, particulars of the Directors retiring by rotation and seeking appointment/re-appointment at the ensuing Annual General Meeting is annexed to the notice convening 9<sup>th</sup> Annual General Meeting.

• **Key Managerial Personnel:**

Pursuant to Section 2(51) and Section 203 of the Companies, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the Key Managerial Personnel and during the year there was no change in KMP's of the Company;

- Mr. Anuj Mundhra -Chairman & managing Director
- Mrs. Vandana Mundhra, Whole-Time Director
- Mrs. Sunita Devi Mundhra, Whole -Time Director
- Mr. Dwarka Dass Mundhra, Chief Financial Officer (CFO)
- Miss. Gunjan Jain, Company Secretary & Compliance Officer

**20. CORPORATE GOVERNANCE REPORT:**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a Certificate of Auditors on its Compliance forms an integral part of this Report Annual Report as [Annexure-4](#).

**21. EXTRACT OF ANNUAL RETURN:**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company is available on the Company's website at the following web link:- <https://www.nandanicreation.com/annual-report.php>

**22. BOARD MEETING:**

During the year under review 7 (Seven) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of Meetings of the Board and its Committees are given in the Corporate Governance Report.

**23. COMMITTEES OF THE BOARD**

Pursuant to the provisions of the Act and Rules made there under and SEBI (LODR) regulation, 2015, the board has constituted various committees. Composition and other details on the committee are given in the Corporate Governance Report.

**24. MEETING OF INDEPENDENT DIRECTORS**

Pursuant to Clause VII of the Schedule IV of the Companies Act, 2013 and Regulation 25 of Listing Regulations, the Independent Directors of the Company are required to hold at least one meeting in a year without the attendance of Non-Independent Directors and Members of Management. All the Independent Directors of the Company shall strive to be present at such meeting.

The Details of the three Independent Directors of the Company are as follows:

Name of Member	Status	Designation
Mr. Gaurav Jain	Chairman	Independent Director
Mr. Gagan Saboo	Member	Independent Director
Mr. Neetesh Kabra	Member	Independent Director

During the year, **One (1)** Meeting of the Independent Directors was convened and held on 01.09.2020.

**TERMS OF REFERENCE:**

- i. The performance of Non-Independent directors and the Board as a Whole;
- ii. The performance of the Chairperson of the Company, taking into account the views of executive directors and Non-Executive Directors;
- iii. Assess the quality, quantity and timeliness of flow of Information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

**25. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

All new independent directors inducted into the Board are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance report.

## **26. DECLARATION OF INDEPENDENCY BY INDEPENDENT DIRECTORS:**

The Independent Directors have given declaration under Section 149(6) of the Companies Act, 2013 and the rules made there under. The Independent Directors have fulfill the Conditions relating to their status as an Independent Director as specified in Section 149 of the Act and the Regulation 16(b) of the Listing Regulations

## **27. PERFORMANCE EVALUATION**

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration committee to formulate a process for effective evaluation of the performance of individual directors, committees of the Board and the Board as a whole.

The Board formally assesses its own performance based on parameters which, inter alia, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters for the performance evaluation of the Directors include contribution made at the Board meeting, attendance, instances of sharing best and next practices, domain, knowledge, vision, strategy, engagement with senior management etc.

The independent directors at their separate meeting review the performance of non – independent directors and the Board as a whole, chairperson of the Company after taking into account the views of Executive director and non – executive directors, the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

Based on the outcome of the performance evaluation exercise, areas have been identified for the Board to engage itself with and the same would be acted upon.

## **28. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to **Section 134 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)**, the Directors of the Company confirm that:

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the Companies as at 31<sup>st</sup> March, 2021 and of profit and Loss of the Company for the financial year ended 31<sup>st</sup> March, 2021;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) the annual accounts have been prepared on a “going concern” principal;
- (e) proper internal financial control laid down by the directors were followed by the Companies and that such internal financial controls are adequate and operating effectively ; and;
- (f) Proper system to ensure compliance with the provisions of all applicable laws was in place and that such system are adequate and operating effectively.

## **29. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report as [Annexure-5](#). It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations/performance of the Company's various businesses viz., decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, Risk, threats, outlook etc.

## **30. BUSINESS RESPONSIBILITY STATEMENT**

Your Company has always been at the forefront of voluntary disclosures to ensure transparent reporting on all matters related to the Company's governance and business operations. The report comprehensively covers your Company's philosophy on corporate social responsibility, its sustainability activities pertaining to efforts on conservation of environment, conducting green awareness events, its commitment towards society, enhancing primary education, initiatives and activities taken up as part of this philosophy for the year 2019-20. But since, this report is applicable only on Top 500 Listed Entities, we are not attaching the report with the Annual Report.



### **31. DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during **FY 2019 -20**.

### **32. NOMINATION & REMUNERATION POLICY:**

The salient features of the Nomination and Remuneration Policy of the Company are set out in the Corporate Governance Report which forms part of this Annual Report. The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment & Re – appointment of Directors on the Board of the Company and persons holding senior management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations. The Policy details are given in Corporate Governance Report.

### **33. OTHER STATUTORY DISCLOSURES**

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has formulated a Whistle Blower Policy and has established Vigil Mechanism for employees including Directors of the Company to report genuine Concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Act.

The Whistle Blower Policy of the Company is also available on the website of the Company at the link <http://www.nandanicreation.com/docs/investors/policies/WHISTLER-BLOWER-POLICY.pdf>.

During the year, no whistle blower event was reported & mechanism is functioning well. Further, no personnel has been denied access to the Audit Committee.

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

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

### **PARTICULARS OF EMPLOYEES**

Pursuant to the amendment in the Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a detailed statement is attached as [Annexure-6](#).

Apart from that, there are no Employees in the Company whose particulars are required to be disclosed in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in the report.

The Company is required to give the Disclosure under Schedule V Part II section 2 of the Act. The same is attached in Annexure-6.

### **RISK MANAGEMENT POLICY**

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimizes adverse impact on the business objectives and enhances the Company's competitive advantage. The Risk Management Policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Risk Management procedure will be reviewed by the Audit Committee and the Board of Directors on time to time basis.

### **LISTING OF SHARES**

Your Company's shares are listed on the National Stock Exchange of India Limited and the Listing fee for the year 2021-22 has been duly paid.

The Company has obtained the In-principal approval from the Exchange on 17<sup>th</sup> August, 2021 and the Principle/Listing Approval for Migration from SME Platform to Capital Market Segment (Main Board) of the Exchange on 31<sup>st</sup> August, 2021 (Ref. No. NSE/LIST/115). The Equity shares shall be listed and admitted to dealing on the Exchange (capital market Segment) w.e.f. 02<sup>nd</sup> September, 2021.

### **DEPOSITORY SYSTEM**

As the Members are aware, your Company's shares are trade-able compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL &

CDSL. The ISIN allotted to the Company's Equity shares is **INE696V01013**.

#### **HUMAN RESOURCE DEVELOPMENT**

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has further redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and multi-skilling. HRD activities are taken in the Company involving positive approach to develop employees to take care of productivity, quality and customer needs. The Company has to make constant efforts to manage labour shortages. To develop skilled labour, training facilities are provided to the employees in house or by deputing them to the machinery suppliers and to training institutes for specific training. The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

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

The Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

1. The Company has no activity involving conservation of energy or technology absorption.
2. There is no foreign exchange earnings and outgo.

#### **35. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In order to prevent sexual harassment of women at work place "The Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013" was notified on 9th December, 2013, under the said Act, every

Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

In terms of the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of Sexual Harassment of Women at workplace and also set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

During the financial year ended 31st March, 2021, the Company did not receive any compliant and no compliant was pending at beginning and at the end of the year.

#### **36. CERTIFICATIONS FROM CHIEF FINANCIAL OFFICER/CHIEF EXECUTIVE OFFICER OF THE COMPANY:**

The Company has obtained a Compliance Certificate in accordance with Regulation 17(8) of Listing Regulations from Mr. Dwarka Dass Mundhra, the Chief Financial Officer and Mr. Anuj Mundhra, Chairman and Managing Director of the Company. The Same is forming as [Annexure-7](#) the part of this Annual Report.

The Company has also obtained a Declaration signed by Chief Financial Officer stating that the Members of the Board of Directors and Senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management. The Same is forming as [Annexure-7](#) the part of this Annual Report.

#### **37. OTHER DISCLOSURES:**

Other disclosures required as per Companies Act, 2013 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other laws and rules applicable are either NIL or NOT APPLICABLE to the company.



**38. APPRECIATION**

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customer, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support

**DATE: JAIPUR  
PLACE: 01.09.2021**

**FOR AND ON BEHALF OF NANDANI CREATION LIMITED**

**Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504**

**Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403**

# ANNEXURE 1

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	DESI FUSION INDIA PRIVATE LIMITED
3.	The date since when subsidiary was acquired	31.05.2016
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>ST</sup> MARCH, 2021
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INDIAN RUPEES
6.	Share capital	Rs. 50,00,000/-
7.	Reserves & surplus	Rs. 45,54,602.56/-
8.	Total assets	Rs 10,53,29,047/-
9.	Total Liabilities	Rs.10,53,29,047/-
10.	Investments	0
11.	Turnover	Rs. 13,83,97,698/-
12.	Profit before taxation	Rs. 16,39,436/-
13.	Provision for taxation	Rs. 3,97,489/-
14.	Profit after taxation	Rs. 12,41,842/-
15.	Proposed Dividend	0
16.	Extent of shareholding (In percentage)	99.99%

Desi Fusion India Private Limited was incorporated on **31.05.2016** and since the incorporation it was the **Wholly-Owned Subsidiary** Company of Nandani Creation Limited.



# ANNEXURE 1

## PART “B”: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	--	--	--
2. Date on which the Associate or Joint Venture was associated or Acquired	--	--	--
3. Shares of Associate/Joint Ventures held by the company on the year end	--	--	--
No.	--	--	--
Amount of Investment in Associates/Joint Venture	--	--	--
Extend of Holding (In percentage)	--	--	--
4. Description of how there is significant influence	--	--	--
5. Reason why the associate/joint venture is not consolidated	--	--	--
6. Net worth attributable to shareholding as per latest audited Balance Sheet	--	--	--
7. Profit/Loss for the year	--	--	--
i. Considered in Consolidation	--	--	--
ii. Not Considered in Consolidation	--	--	--

DATE: JAIPUR  
PLACE: 01.09.2021

FOR AND ON BEHALF OF NANDANI CREATION LIMITED

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

## 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 arms length transactions under third proviso thereto:

### Details of contracts or arrangements or transactions not at arm's length basis

SN	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	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 arrangement or transactions at arm's length basis

SN	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	<b>M/s Desi Fusion India Pvt. Limited</b> (Earlier It was known as Nandini Creation) (Entity in which KMP/Relative of KMP have significant Influence)	Purchase of Goods	12 Months	As per the agreement	28.07.2020	-
2	<b>M/s Desi Fusion India Pvt. Limited</b> (Earlier It was known as Nandini Creation) (Entity in which KMP/Relative of KMP have significant Influence)	Receiving of Services	12Months	As per the agreement	28.07.2020	-
3	<b>Anuj Mundhra, Vandna Mundhra, Sunita Devi Mundhra, Dwarka Dass Mundhra and Gunjan Jain</b>	Rent paid	12Months	As per the agreement	28.07.2020	-
4	<b>M/s Desi Fusion India Pvt. Limited</b> (Earlier It was known as Nandini Creation) (Entity in which KMP/Relative of KMP have significant Influence)	Sale of Goods	12 Months	As per the agreement	28.07.2020	-

## ANNEXURE 2

significant Influence)

5	Vandna Mundhra (Leasing of Brand name "Amaiva")	Rent paid	12 Months	As per the agreement	28.07.2020
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DATE: JAIPUR  
PLACE: 01.09.2021

FOR AND ON BEHALF OF NANDANI CREATION LIMITED

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403



## FORM MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to Section 201, 9(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To

The Members

M/s Nandani Creation Limited

G-13, Kartarpura Industrial Area,

Near 22 Godam, Jaipur-302006,

Rajasthan

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

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

(i) The Companies Act, 2013 (“the Act”) and Companies Act, 1956 (to the extent applicable) the rules made there under including any re-enactment thereof;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) 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, 1992 & 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) to the extent applicable during the Audit Period;

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

- I. The Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
- II. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

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 compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 were, in our opinion, not attracted during the financial year under report;

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

We further report that:

The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under in relation to External Commercial Borrowings were not attracted during the financial year under report.

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. There were no changes in the composition of the Board of Directors that took place during the Audit Period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or consent of all directors were received in writing for shorter board meeting notice consents (if any), 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 decision at Board Meetings and Committee Meetings are carried by majority as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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

## Management Responsibility:

- i. 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;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;

- iv. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- v. 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;

- vi. 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 Manisha Godara and Associates**  
**Company Secretaries**  
**FRN: S2014RJ268900**

**Date: 01-09-2021**  
**Place: New Delhi**

**Sd/-**  
**Manisha Godara**  
**A36531**  
**CP 13570**  
**UDIN: A036531C000853798**

## CORPORATE GOVERNANCE REPORT

### NANDANI CREATION'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company is providing detailed information on various issues concerning the Company's business and financial performance to its shareholders.

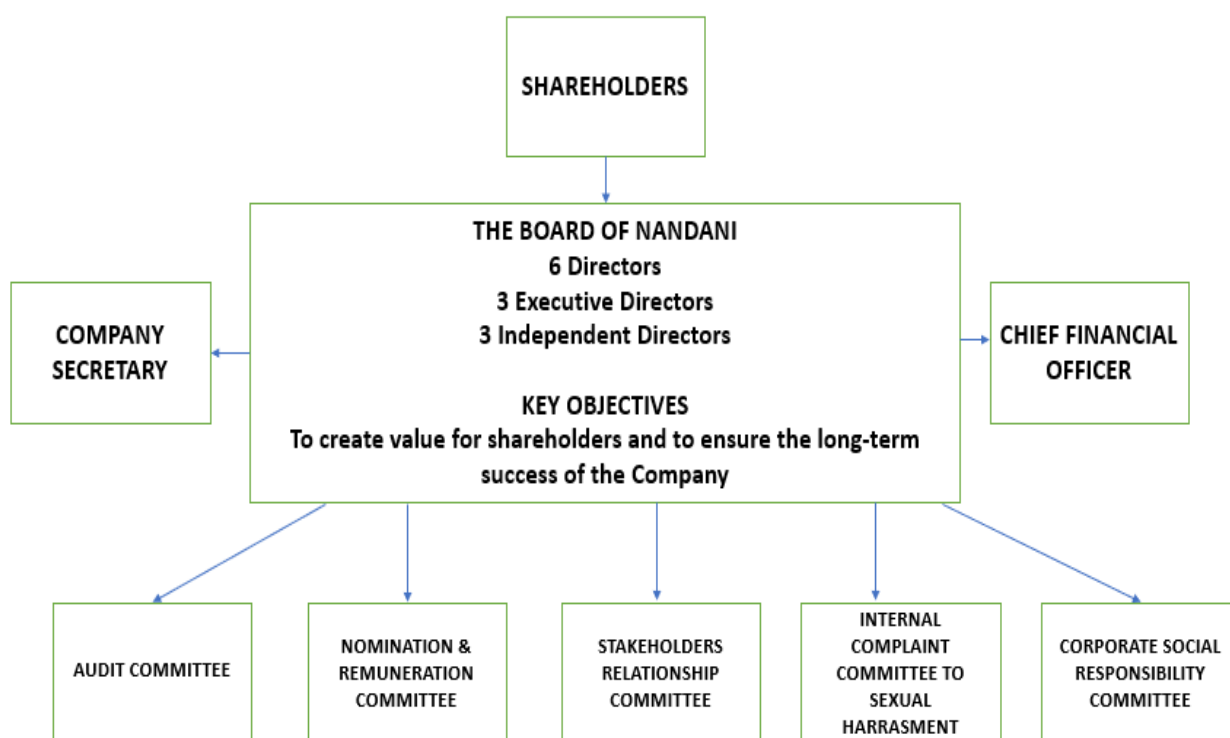
The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stake holders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Nandani Creation Limited.

### GOVERNANCE STRUCTURE AND DEFINED ROLE AND RESPONSIBILITIES

Nandani Creation's governance structure comprises of Board of Directors, committees of the Board and the Management.

### OUR CORPORATE GOVERNANCE FRAMEWORK





## BOARD OF DIRECTORS

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Managing Director & Whole time Directors reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual long term business targets. The Managing Director and Whole-Time Directors acts as a link between the Board and the management.

## COMPOSITION OF THE BOARD

The Company believes in a well – balanced Board which enriches board discussions and enables effective decision making. The Board has an optimal mix of executive and Non – executive directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses.

The composition and size of the Board is reviewed periodically to ensure an optimum mix of directors with complementary skill sets and varied perspectives for constructive debates facilitating more effective decision making.

As on the date of this report, the Board is comprised of 6 directors, 3 (Three) of which are executive promoter directors&3(Three) are Independent Directors.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the rules issued thereunder.

Sr. No.	Name of Director	Category	Date of Appointment	No. of Other Directorships on (As on 31.03.2021)	Total No. of Committee positions in Mandatory Committees (As on 31.03.2021)		
					Chairman	Member	Total
1.	Mr. Anuj Mundhra DIN: 05202504	Promoter Executive Director	21/02/2012	--	--	1	1
2.	Mrs. Vandana Mundhra DIN: 05202403	Promoter Executive Director	21/02/2012	--	--	1	1
3.	Mrs. Sunita Devi Mundhra DIN: 05203015	Promoter Executive Director	21/02/2012	1	--	--	--
4.	Mr. Gaurav Jain DIN: 00065686	Independent Director	12/08/2016	2	3	--	3
5.	Mr. Neetesh Kabra DIN: 01574553	Independent Director	12/08/2016	--	--	2	2
6.	Mr. Gagan Saboo DIN: 07545038	Independent Director	12/08/2016	--	--	2	2

The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2020-2021:

NAME OF DIRECTORS						
Date of Board Meetings	Anuj Mundhra	Vandana Mundhra	Sunita Devi Mundhra	Gaurav Jain	Neetesh Kabra	Gagan Saboo
14.04.2020	YES	YES	YES	YES	YES	YES
28.07.2020	YES	YES	YES	YES	YES	YES
01.09.2020	YES	YES	YES	YES	YES	YES
13.11.2020	YES	YES	YES	YES	YES	YES
23.12.2020	YES	YES	YES	YES	YES	YES

## ANNEXURE 4

27.01.2021	YES	YES	YES	YES	YES	YES
16.02.2021	YES	YES	YES	YES	YES	YES
<b>NAME OF DIRECTORS</b>						
<b>Date of Annual General Meeting</b>	<b>Anuj Mundhra</b>	<b>Vandana Mundhra</b>	<b>Sunita Devi Mundhra</b>	<b>Gaurav Jain</b>	<b>Neetesh Kabra</b>	<b>Gagan Saboo</b>
28.09.2020	YES	YES	YES	YES	YES	YES

Leave of absence, if required was obtained by Directors and granted in all cases where sorted and no one has abstained himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board. Hence, no one falls under the limit of section 167(1)(b) of the Companies Act, 2013. The necessary quorum was present for all the meetings.

The Board periodically reviews the compliance reports of laws applicable to the Company, as prepared.

### SHAREHOLDING OF BOARD OF DIRECTORS

Sr. No.	Name of Director	Shareholding
1.	Mr. Anuj Mundhra	3722225
2.	Mrs. Vandana Mundhra	1976975
3.	Mrs. Sunita Devi Mundhra	1197250
4.	Mr. Gaurav Jain	--
5.	Mr. Neetesh Kabra	--
6.	Mr. Gagan Saboo	--

### DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Following Directors are related to each other:

S. No	Name of Director	Name of Related Director	Relationship
1.	Mr. Anuj Mundhra	Mrs. Vandana Mundhra	Wife
		Mrs. Sunita Devi Mundhra	Mother
2.	Mrs. Vandana Mundhra	Mr. Anuj Mundhra	Husband
		Mrs. Sunita Devi Mundhra	Mother-in-Law
3.	Mrs. Sunita Devi Mundhra	Mr. Anuj Mundhra	Son
		Mrs. Vandana Mundhra	Daughter in law

### INFORMATION PLACED BEFORE THE BOARD:

The Board has complete access to all company – related information. The Company secretary is responsible for collation, review and distribution of all papers submitted to the Board and committees thereof for considerations. The agenda for the meetings is circulated well in advance to the directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

The Company secretary attends all the meetings of the Board and its committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minute's book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The company adheres to the provisions of the Companies Act, 2013 read with the rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its committees and the General meetings of the shareholders of the Company.

The meetings of the Board of directors are generally held in Jaipur. The maximum interval between any 2 (Two) consecutive Board Meetings as well within the maximum allowed gap of 120 (One hundred and twenty) days. The necessary quorum was present for all the meeting.

### EVALUATION OF BOARD:

In terms of the requirement of the Companies Act, 2013 and the listing regulations an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, Board Evaluation Cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees. The exercise was led by the Chairman along with the Chairman of the Nomination and Remuneration Committee of the Company. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings. The evaluation exercise also suggested that the Board succession planning exercise has been embedded well in the Board processes.

### INDEPENDENT DIRECTORS:

Schedule IV of the Companies Act, 2013 and Secretarial Standard – 1a Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors.

### INDEPENDENT DIRECTOR'S DATABANK REGISTRATION:

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all independent directors are registered with the Independent Director's Databank.

During the financial year 2020-21, a separate meeting of the Independent Directors was held on 01<sup>st</sup> September, 2020.

The independent directors, inert alia, discussed and reviewed performance of Non – Independent Directors, the Board as a whole, chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On and after listing of the shares of your company, pursuant to Regulation 25(7) of the Listing Regulations it was required to form a Familiarization Programme to familiarize the 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, etc. through various programmes.

Such programmes/presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, services and product offerings, organization structure, finances, sales and marketing, human resources, technology, quality of products, facilities and risk management and such other areas as may arise from time to time. The above Programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates.

The Familiarization programme for Independent Directors in terms of Regulation 25(7) of the Listing Regulations is uploaded on the website of the Company and can be accessed through the following link <https://www.nandanicreation.com/policies.php>.



## DECLARATIONS:

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the listing regulations.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirms that the Independent Directors fulfil the conditions of Independence specified in the Listing regulations and the Companies Act, 2013 and are independent of the management of the Company

## COMMITTEES OF THE BOARD:

In terms of the Listing Regulations, the Board of the Company has constituted the following Committees: -

- Audit Committee;
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee;

NAME OF COMMITTEE	EXTRACT OF TERMS OF REFERENCE	CATEGORY & COMPOSITION		MEETINGS & ATTENDANCE
		NAME	CATEGORY	
AUDIT COMMITTEE	Appoints the independent auditor and oversees the auditing process;	Mr. Gaurav Jain	CHAIRMAN	6 Meetings Held during the FY 2020-21 on the following dates 28.07.2021 01.09.2020 13.11.2020 23.12.2020 27.01.2021 16.02.2021
	Ensures legal and regulatory compliances including the effective implementation of the code of conduct;	Mr. Gagan Saboo	MEMBER	
	Ensures the integrity, accuracy and adequacy of accounting records;	Mr. Neetesh Kabra	MEMBER	
	Reviews the business contingency planning process within the group.			
				All the directors were present in every meetings
NOMINATION & REMUNERATION COMMITTEE	Prepares and recommends governance principles applicable to the group;	Mr. Gaurav Jain	CHAIRMAN	1 Meeting Held during the FY 2020-21 on the following dates 01.09.2020
	Keeps abreast of best corporate practices;	Mr. Gagan Saboo	MEMBER	
	Evaluate the effectiveness and qualifications of the Board and its committees;	Mr. Neetesh Kabra	MEMBER	
	Responsible for Director's succession planning;			All the directors were present in every meetings
	Develops and recommends to the Board criteria for the selection of Directors and senior management			
	Details of policy of Nomination and Remuneration committee are given below			
STAKEHOLDERS RELATIONSHIP COMMITTEE	Consider and resolve the grievances of security holders.	Mr. Gaurav Jain	CHAIRMAN	1 Meeting Held during the FY 2020-21 on the following dates 01.09.2020

## ANNEXURE 4

	Consider and approve issue of share certificates, transfer and transmission of securities, etc.	Mr. Anuj Mundhra	MEMBER	
	Redressal of serious complaints received from shareholders/investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of annual report, Non receipt of declared dividends etc.	Mrs. Vandana Mundhra	MEMBER	All the directors were present in every meetings 01.09.2020
	Set forth the policies relating to and to oversee the implementation of Policy for Prevention of Insider Trading and to review the concerns received under the Nandani 's Code of Conduct			

### REMUNERATION OF DIRECTORS:

The details of remuneration paid to the Executive and Non Executive Directors during the FY 2020-21 are as follows:

NAME OF DIRECTOR	SALARY	ALLOWANCES & PERQUISITES	CONTRIBUTION TO PF	SITTING FEES	TOTAL
Mr. Anuj Mundhra	27,00,000	--	--	--	27,00,000
Mrs. Vandana Mundhra	10,80,000	--	--	--	10,80,000
Mrs. Sunita Devi Mundhra	7,20,000	--	--	--	7,20,000
Mr. Gagan Saboo	--	--	--	--	--
Mr. Gaurav Jain	--	--	--	--	--
Mr. Neetesh Kabra	--	--	--	--	--
					45,00,000

### CRITERIA OF MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Sitting Fee was paid to the Non- Executive Directors within limits approved by the Board of Directors.

### SERVICE CONTRACTS, NOTICE PERIOD, SEVERANCE FEES:

The appointment of the Executive Directors are governed by Resolutions passed by the Shareholders of the Company, which covers the terms and conditions of such appointment, read with the service rule of the Company. A separate service contract is not entered into by the Company with Executive Directors

### STOCK OPTION DETAILS:

The Company does not have any stock option scheme.

### NOMINATION & REMUNERATION POLICY OF THE COMPANY:

The Nomination & Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy emphasize on promoting talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

The Remuneration Policy applies to Directors, Senior Management Personnel including its Key Management Personnel (KMPs) and other employees of the Company. When considering the appointment and remuneration of Whole-time Directors, the Nomination and Remuneration Committee inter alia considers pay and employment conditions in the industry, merit and seniority of person and the paying capacity of the Company. Remuneration of KMPs and senior management personnel is decided by the Managing Director. The remuneration to other employees is fixed as per principles outlined above

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration

## GENERAL BODY MEETINGS:

### **ANNUAL GENERAL MEETING:**

The location, time and resolutions passed in the Annual General Meetings held in last 3 years are given below:

Date	Location	Time	Items Approved by Special Resolution
28.09.2020	Audio Visual Means	3:00 PM	3 ITEMS
30.09.2019	Registered Office	3:00 PM	1 ITEM
26.09.2018	Registered Office	3:00 PM	5 ITEMS

### **EXTRA ORDINARY GENERAL MEETING:**

During the FY 2020-21, the details of the Extra Ordinary General Meeting held is as follows:

Date	Location	Time	Items Approved by Special Resolution
20.01.2021	VIDEO CONFERENCE (VC)/OTHER AUDIO VISUAL MEANS (OAVM)	4: PM	1 ITEM

## POSTAL BALLOT:

During the FY 2020-21, the details of the Postal Ballot held is as follows:

The Company has conducted the Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 for obtaining the approval of Shareholders for the purpose of migrating the Equity Shares from SME Platform (Emerge) of National Stock Exchange of India Limited to main board of NSE.

The Postal Ballot was started from Thursday, 04<sup>th</sup> February, 2021 at 9:00 AM and ended on Friday, 05<sup>th</sup> March, 2021 at 5:00 PM.

The Special Resolution was passed on 05<sup>th</sup> March, 2021 by the Shareholders/Members.

The Company has obtained the In-principal approval from the Exchange on 17<sup>th</sup> August, 2021 and the Principle/Listing Approval for Migration from SME Platform to Capital Market Segment (Main Board) of the Exchange on 31<sup>st</sup> August, 2021 (Ref. No. NSE/LIST/115). The Equity shares shall be listed and admitted to dealing on the Exchange (capital market Segment) w.e.f. 02<sup>nd</sup> September, 2021.

The Listing on Main Board is likely to have wider participation from Investors at large and will enhance the Image and Goodwill of the Company.

None of the business proposed to be transacted in the ensuing Annual General Meeting (AGM) require passing of a Special Resolution through postal ballot.



## MEANS OF COMMUNICATIONS:

The company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the on – line portal of the Stock Exchanges, press releases, the Annual Reports and by placing relevant information on its website.

## PUBLICATION OF FINANCIAL INFORMATION:

Since, the Company is currently listed on SME Exchange, the Company is not required to publish the Financial Information in Newspaper.

## WEBSITE AND NEWS RELEASES:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under ‘investor relation’ on the Company’s website gives information on various announcement made by the Company, Annual reports, quarterly/half yearly/ Nine – months and Annual financial results along with the applicable policies of the Company. The Company’s official new releases and presentations made to the institutional investors and analyst are also available on the Company’s website <https://www.nandanicreation.com>. Quarterly compliance reports and other relevant information of interest to the investors are also placed under the Investor Relation sections on the Company’s website.

## STOCK EXCHANGE:

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing director and the CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to National Stock Exchange of India Limited (NSE) in terms of the Listing regulations and other applicable rules and regulations issued by the SEBI.

## NEAPS (NSE ELECTRONIC APPLICATION PROCESSING SYSTEM):

NEAPS is a web based application designed by NSE for corporates. All periodical compliances filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are in accordance with the listing regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tools

## GENERAL SHAREHOLDER INFORMATION:

<b>Corporate Identity Number (CIN)</b>	L18101RJ2012PLC037976
<b>Registered Office</b>	G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan
<b>Website/Email</b>	WEBSITE: <a href="http://www.nandanicreation.com">www.nandanicreation.com</a> E MAIL: <a href="mailto:info@jaipurkurti.com">info@jaipurkurti.com</a>
<b>Date, time and venue of Annual General Meeting</b>	The ensuing AGM of the Company will be held on Thursday, 30 <sup>th</sup> day of September, 2021 at 3:00PM
<b>Financial Calendar</b>	April-March
<b>Financial reporting for the quarter ending 30th June, 2021</b>	NA, since we are SME Listed Company, Quarterly Financial Reporting is not applicable on us.
<b>Financial reporting for the quarter/half year ending 30th September, 2021</b>	October-November, 2021
<b>Financial reporting for the quarter ending 31st December, 2021</b>	January-February, 2022
<b>Financial reporting for the year ending 31st March, 2022</b>	April-May, 2022
<b>Annual Result of 2021-22</b>	End May, 2022
<b>Dividend Payment Date</b>	NA
<b>Date of Book Closing</b>	Thursday, 23rd September, 2021 to Thursday, 30th September, 2021 (both days inclusive).
<b>Depositories</b>	NSDL

## ANNEXURE 4

	Address: Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 CDSL Address: Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 Payment of Depository Fees: Annual Custody/Issuer fees is being paid by the Company within the due date based on invoices received from the Depositories.
<b>International Securities Identification Number (ISIN)</b>	INE696V01013
<b>Name and address of Stock Exchanges at which the Company's securities are listed:</b>	National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051. Tel No: (022) 26598100 – 8114. The Company has paid the requisite Annual Listing Fees to the Stock Exchanges for the financial year 2020-21.
<b>Stock Codes:</b>	NSE: JAIPURKURT
<b>Registrar &amp; Share Transfer Agents (RTA):</b>	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059; Tel.: (022) 62638200/02 Email id: <a href="mailto:admission@bigshareonline.com">admission@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

### **MARKET PRICE DATA: MONTH WISE HIGH, LOW OF THE COMPANY'S EQUITY SHARES DURING THE FINANCIAL YEAR 2020-2021 AT NSE ARE GIVEN BELOW**

MONTH	HIGH	LOW
April	9.80	9.80
May	9.80	9.80
June	9.40	8.85
July	9.40	8.85
August	8.45	7.65
September	12.8	8.00
October	13.35	12.5
November	12.70	12.30
December	13.00	12.40
January	20.00	13.00
February	24.30	19.05
March	25.25	21.75

None of the Company's securities have been suspended from trading.

### **SHARE TRANSFER SYSTEM:**

In terms of the Circular bearing Ref. No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Circular bearing Ref. No. SEBI/ LAD-NRO/GN/2018/49 dated 30th November, 2018, both issued by Securities and Exchange Board of India, with effect from 1st April, 2019, the requests for effecting transfer of securities held in physical form (except in case of transmission or transposition of securities) are not to be processed. Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

The requests for transmission or transposition of securities held in physical form are registered and returned within a period of 15 days from the date of receipt in case the documents are complete in all respects. The same are placed for consideration of the Stakeholders' Relationship Committee. Further, particulars of movement of shares in the dematerialized form are also placed before the Stakeholders' Relationship Committee

## ANNEXURE 4

### DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH, 2021:

<u>SHAREHOLDING OF NOMINAL</u>	<u>NUMBER OF SHAREHOLDERS</u>	<u>PERCENTAGE OF TOTAL</u>	<u>SHARE AMOUNT</u>	<u>PERCENTAGE OF TOTAL</u>
RS.	RS.		RS.	
1	5000	3	7500	0.0075
40001	50000	45	2250000	2.2424
50001	100000	27	2700000	2.6909
100001	ABOVE	31	95382000	95.0593
<b>TOTAL</b>	106	100.00	100339500	100

<b>Category of Shareholders</b>	<b>No of shares</b>	<b>% of Total No. of Shares</b>
<b>A. Promoters</b>		
a) Individual/ HUF	7053200	70.29
b) Foreign Bodies	--	--
<b>Total Shareholding of Promoter(s) and Promoter(s) Group (A)</b>	<b>7053200</b>	<b>70.29</b>
<b>B. Public Shareholding</b>		
<b>1. Institutions</b>	--	--
a) Mutual Funds	--	--
b) Foreign Institutional Investors	--	--
<b>Sub-total (B)(1):-</b>	--	--
<b>2. Non-Institutions</b>		
a) Bodies Corp.	55000	0.54%
b) Individuals		
i) Individual shareholders holding nominal share capital up to 2 lakh	565750	5.63%
ii) Individual shareholders holding nominal share capital in excess of 2 lakh	1430000	14.25%
Clearing Members	155000	1.54%
Foreign Bodies	--	--
Non Resident Indians	--	--
Non Resident Indians (Non Repatriation)	--	--
Any Other(HINDU UNDIVIDED FAMILY)	775000	7.74%
<b>Sub-total (B)(2):-</b>	<b>2980750</b>	<b>29.70%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2980750</b>	<b>29.70%</b>
<b>Grand Total (A+B)</b>	<b>10033950</b>	<b>100.00%</b>

### DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As on 31st March, 2021 Company is listed on NSE Exchange. 99.99 %of the paid-up share capital of the Company is in dematerialized forms, except the shares of 500 Number of Equity Shares.

### OUTSTANDING GDRS / ADRS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND ANY LIKELY IMPACT ON EQUITY:

N.A.

### COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

With reference to Circular bearing Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 issued by Securities and Exchange Board of India, on disclosures regarding commodity risks by listed entities, the Company is actively working on mitigating commodity risks and foreign exchange risks.

### COMMODITY RISK:

The Company procures certain raw materials which are derivatives of various commodities, from vendors. The Company does not undertake any commodity hedging activities on any exchange. It benchmarks its raw material prices based on international



forecasts and local price trends and accordingly devices its cover strategy that ensures that Company's interests are protected despite volatility in prices.

## FOREIGN EXCHANGE RISK:

The Company is exposed to the risks associated with fluctuations in foreign exchange rates mainly on import of raw materials. It has a well-structured foreign exchange risk management policy. The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies. Please refer to Note No. 43(d)(i) of Notes to the Standalone Financial Statements towards exposure to currency risk.

## DIVIDEND:

NA

## PLANT LOCATIONS:

The Company's plants, which are operative, are located at:

1. G-13, Kartarpura Industrial area, Near 22 Godam, Jaipur-302006, Rajasthan
2. G-3A, Kartarpura Industrial area, Near 22 Godam, Jaipur-302006, Rajasthan
3. G-21A, Kartarpura Industrial area, Near 22 Godam, Jaipur-302006, Rajasthan

## OTHER DISCLOSURE:

1. There were no materially significant related party transactions during the year.
2. The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. There was no non-compliance during the year by the Company on any matter related to Capital Market. There were no penalties imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authority.
4. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee of Directors.
5. All mandatory requirements as per Listing Regulations have been complied with by the Company.
6. Disclosure of instances along with the reasons, where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the financial year 2020-21:  
There was no instance during the financial year 2020-21, where the Board of Directors did not accept the recommendation of any Committee of the Board which it was mandatorily required to accept.
7. Total fees for all services paid by the Company, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

Total fees for all services paid by the Company, to M/s Ashok Holani & Company (Statutory Auditor of the Company) and other firms in the network entity of which the Statutory Auditor is a part, as included in the consolidated financial statements of the Company for the year ended 31st March, 2021, are as follows:

	(Amount in lacs)
<b>Fees for audit and related services paid to M/s Ashok Holani &amp; Company</b>	<b>3.63</b>
<b>Other Services</b>	<b>--</b>

8. Disclosures with respect to demat suspense account/ unclaimed suspense account
  - a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; NIL
  - b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; NIL
  - c. Number of shareholders to whom shares were transferred from suspense account during the year; NIL
  - d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; NIL
  - e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. NIL

9. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Number of complaints filed during the financial year 2020-21: Nil
  - Number of complaints disposed of during the financial year 2020-21: Nil
  - Number of complaints pending as on end of the financial year 2020-21: Nil

Particulars	Regulations	Details	Website
Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Companies Act, 2013.	No material significant transactions that may have potential conflict with the interests of the Company have occurred during the financial year 2020-21. The policy on dealings & materiality of related party transactions placed on the website of the company.	<a href="https://www.nandanicreation.com/policies.php">https://www.nandanicreation.com/policies.php</a>
Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.	The Company has complied with the requirements of the Stock Exchanges/ SEBI and other statutory authorities as applicable. No penalty or strictures were imposed on the Company by these authorities.	N.A
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI (LODR) Regulations, 2015.	The Company has adopted a Vigil Mechanism and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. The said policy has been uploaded on the website of the Company.	<a href="https://www.nandanicreation.com/policies.php">https://www.nandanicreation.com/policies.php</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	<a href="https://www.nandanicreation.com/policies.php">https://www.nandanicreation.com/policies.php</a>
Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, relating to Corporate Governance	Regulation 27(1) as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.	The Company has complied with all mandatory requirements and The Company has also adopted few non-mandatory requirements listed in Regulation 27(1) as specified in Part E of Schedule II of the SEBI Listing Regulations.	<a href="https://www.nandanicreation.com/policies.php">https://www.nandanicreation.com/policies.php</a>
Accounting Treatment and Compliance with Accounting Standards	Companies (Indian Accounting Standards (IND AS) Rules, 2015 under Section 133 of the Companies Act, 2013.	The Company has followed and prepared the Financial Statements in accordance with the Indian Accounting Standards (IND AS).  The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.	-----

## ANNEXURE 4

MD & CFO Certification	Part B of Schedule II of SEBI Listing Regulations	<p>The Managing Director and the Chief Financial Officer have certified to the Board and have issued certificate, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the Financial Year ended 31st March, 2020.</p> <p>The Said Certificate is enclosed with the Annual report and annexed as Annexure-I to the Corporate Governance Report.</p>	ENCLOSED
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<p>In compliance with Regulation 26(3) of the Listing Regulations and the Companies Act, 2013, adopted, framed a Code of Conduct and posted on the website of the company.</p> <p>The Code is applicable to the members of Board, the executive officers and all employees of the Company.</p> <p>Declaration of code of conduct is given as below Table</p>	<a href="https://www.nandancreation.com/policies.php">https://www.nandancreation.com/policies.php</a>
*Prevention of Insider Trading	SEBI (Prohibition of insider trading) Regulations, 2015.	<p>The board has laid down Code of Conduct for insider trading in Compliance with regulation;</p> <p>All the directors and Senior Management Personnel who are expected to have access to Unpublished Price Sensitive Information concerning the Company, is responsible for adherence to this code.</p>	<a href="https://www.nandancreation.com/policies.php">https://www.nandancreation.com/policies.php</a>

## **DECLARATION**

**(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

I, **Mr. Anuj Mundhra, Chairman cum Managing Director** of the Company, do hereby declare that all the Board members and senior management personnel of the Company affirmed compliance with the code of conduct, adopted by the Company, for the Board of Directors and Senior Management of the Company.

**PLACE: JAIPUR  
DATED: 01.09.2021**

**Sd/-  
ANUJ MUNDHRA  
DIN: 05202504  
CHAIRMAN & MANAGING DIRECTOR**



## **ANNEXURE “I” TO THE CORPORATE GOVERNANCE REPORT**

This is to certify to the Board of Directors that;

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of Nandani Creation Limited affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Nandani Creation Limited 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 financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements. And
  - (iii) Instances of significant fraud 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.

Place: Jaipur  
Dated: 01.09.2021

**Sd/-**  
**Anuj Mundhra**  
**DIN: 05202504**  
**Chairman & Managing Director**

**Sd/-**  
**Dwarka Dass Mundhra**  
**PAN: AGAPM0343C**  
**Chief Financial Officer**

## **ANNEXURE “II” TO THE CORPORATE GOVERNANCE REPORT INDEPENDENT AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
NANDANI CREATION LIMITED  
G-13, KARTARPURA INDUSTRIAL AREA,  
NEAR 22 GODAM, JAIPUR-302006,  
RAJASTHAN**

We have examined the compliance of conditions of corporate governance by Nandani Creation Limited (“the Company”) for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination 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 an opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Regulations.

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.

**PLACE: JAIPUR  
DATED: 01.09.2021**

**FOR MANISHA GODARA & ASSOCIATES  
COMPANY SECRETARIES**

**Sd/-  
CS MANISHA GODARA  
M.No.: A36531  
CP No.: 13570  
UDIN: A036531C000870441**

## 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,

Dt. 01-09-2021

The Members

Nandani Creation Limited

G-13, Kartarpura Industrial Area, Near 22 Godam,  
Jaipur-302006, Rajasthan

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nandani Creation Limited** having CIN: **L18101RJ2012PLC037976** and having registered office at **G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para- C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No.	Name of Director	DIN
1.	Mr. Anuj Mundhra	05202504
2.	Mrs. Vandana Mundhra	05202403
3.	Mrs. Sunita Devi Mundhra	05203015
4.	Mr. Gagan Saboo	07545038
5.	Mr. Gaurav Jain	00065686
6.	Mr. Neetesh Kabra	01574553

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 MANISHA GODARA & ASSOCIATES  
COMPANY SECRETARIES

Sd/-

CS MANISHA GODARA

M.No.: A36531

CP No.: 13570

UDIN: A036531C000853842

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDIAN ECONOMIC OVERVIEW

With an overall slowdown in the global economy which is estimated to have contracted by around 3.3% in 2020 on account of COVID-19 pandemic, the prospects in 2021 have shown sizeable improvement and the negative growth is expected to be reversed with positive growth of 6% expected to moderate to 4.4% in 2022. These are unprecedented and uncertain times. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries.

The vaccination drive has picked up momentum pan-India and the outlook remains positive with the advent of new vaccines reaching the market. Emerging Markets like India have witnessed a slowdown and there is economic fallout registered on account of sustained lockdowns in various parts of the Country. Growth in India is estimated to have contracted to -7.3% in FY 2021 with the country witnessing a second wave of the pandemic in March, 2021. The localized lockdowns have resumed which are likely to impair economic activity. However, the COVID-19 pandemic has severely impacted economies worldwide. Basis the fallout, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

The measures taken by the government to contain spread of the COVID-19 pandemic have had an impact on the economic activities as well as on the data collection mechanisms. Estimates are, therefore, likely to undergo sharp revisions for the aforesaid causes in due course. V-shaped economic recovery is expected due to mega vaccination drive, recovery in the services sector and strong growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, e-way bills, GST collection, steel consumption, etc.

### 2. TEXTILES INDUSTRY OVERVIEW:

The COVID-19 pandemic has impacted each and every business in some way or the other, the global textile industry has been drastically impacted.

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

The textiles and apparel industry can be broadly divided into two segments - yarn and fibre and processed fabrics and apparel. The domestic textiles and apparel market was estimated at US\$ 100 billion in FY19. The textile industry has around 4.5 crore workers including 35.22 lakh handloom workers all over the country. In FY19, growth in private consumption was expected to create strong domestic demand for textiles. Growth in demand is expected to continue at 12% CAGR to reach US\$ 220 billion by 2025-26.

Exports of textiles (RMG of all textiles, cotton yarn/fabs/made-ups/handloom products, man-made yarn/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 2.94 billion, as of May 2021.

The Indian textile and apparel industry is expected to grow to US\$ 190 billion by FY26.



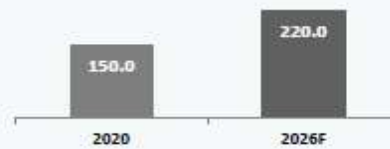


## ANNEXURE 5



### MARKET SIZE

#### Textiles and Apparel Industry (US\$ billion)



#### Key Facts as of FY20



Contributes 2% to India's GDP



Employs over 45 million people



Contributes 12% to India's export earnings



### KEY TRENDS

Note: \* - until January 2020; \*\*Until February 2021

#### Textiles Trade (US\$ billion)



Note: \* - till November 2019; \*\*Until February 2021, imports include textile yarn fabric and made-up articles; Exports include RMG of all textiles, cotton yarn/fabs./made-ups/handloom products, man-made yarn/fabs./made-ups, handicrafts excl. handmade carpets, carpets, jute mfg. including floor coverings

#### Union Budget 2021-22- Focus to bring back Growth for Textile Sector:

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

Initiatives taken by Government of India are:

- In April 2021, Union Minister Smriti Irani has assured strong support from the Textile Ministry to reduce industry's dependence on imported machine tools by partnering with engineering organisations for machinery production. She also stated that the PLI scheme for the textile industry is almost ready. The scheme aims to develop Man Made Fiber (MMF) apparel and technical textiles industry by providing incentive from 3-15% on stipulated incremental turnover for five years.
- To support the handloom and handicrafts sector, the government has taken steps to onboard weavers/artisans on Government e-Marketplace (GeM), provide a wider market and enable them to sell their products directly to various government departments and organisations. As of December 31, 2020, 171,167 weavers/artisans/handloom entities have been registered on the GeM portal.
- Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned, out of which, 22 have been completed.



### GOVERNMENT INITIATIVES



National Textile Policy



Khadi App Store



Pradhan Mantri Fasal Bima Yojana

Note: SAATHI - Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries



## ADVANTAGE INDIA

- **Robust demand:** The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes. Additionally, the pandemic has led to increased demand for technical textiles in the form of PPE kits and equipment. Government is supporting the sector through funding and machinery sponsoring.
- **Competitive advantage:** Abundant availability of raw materials such as cotton, wool, silk and jute.
- **Policy support:** 100% FDI (automatic route) is allowed in textiles. The upcoming textile policy is likely to focus on setting up manufacturing hubs for textile machineries with the help of FDIs.
- **Increasing Investments:** Huge funds in schemes such as Integrated Textile Parks (SITP) (US\$ 184.98 million) and Technology Upgradation Fund Scheme (US\$ 961.11 million) released by Government during 2015-16 to 2019-20 to encourage more private equity and provide employment.

### 3. INDIAN E COMMERCE INDUSTRY

E-commerce has transformed the way business is done in India. The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. India e-commerce sector will reach US\$99 billion by 2024 from US\$ 30 billion in 2019, expanding at a 27% CAGR, with grocery and fashion/apparel likely to be the key drivers of incremental growth. According to Forrester Research, Indian e-commerce sales rose by ~7-8% in 2020. The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024 from US \$1.9 billion in 2019, expanding at a CAGR of 57%.

The Indian e-commerce sector is ranked 9th in cross-border growth in the world, according to Payoneer report. Indian e-commerce is projected to increase from 4% of the total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% by 2025. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. E-commerce sales in India were estimated to increase by only 7-8% in 2020, compared with 20% in China and the US. The e-commerce market is expected to touch the US\$ 84-billion mark in 2021 on the back of healthy growth in the Indian organised retail sector.

As most Indians have started shopping online rather than stepping outside their houses, the Indian e-commerce sector witnessed an increase. India's e-commerce festive sale season from October 15 to November 15 in 2020 recorded Rs. 58,000 crore (US\$ 8.3 billion) worth of gross sales for brands and sellers, up 65% from Rs. 35,000 crore (US\$ 5 billion) last year.

Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. It has formed a new steering committee that will look after the development of a government-based e-commerce platform. The new committee, set up by the Commerce Ministry, will provide oversight on the policy for the Open Network for Digital Commerce (ONDC), which is an e-commerce platform that the government is backing for the development. The ONDC will serve as the infrastructure for setting up the final storefront, which will be similar to Flipkart and Amazon.

Propelled by rising smartphone penetration, launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. Online retail sales in India is expected to grow 31% to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

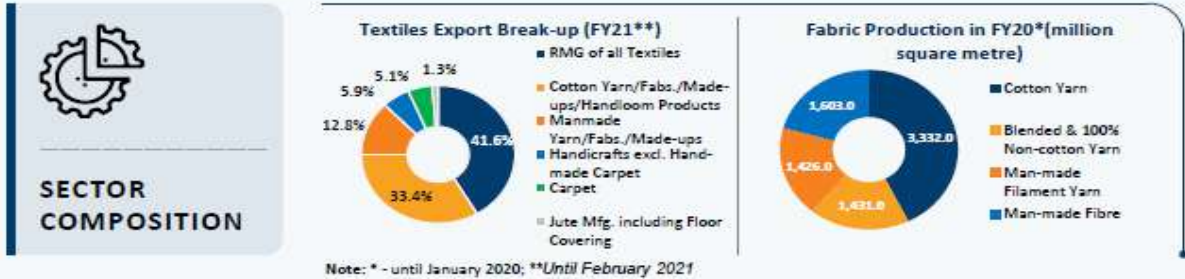


## MARKET SIZE

Gross Value Added By E-Commerce Sectors (US\$ billion)



Trend point: The E-commerce market in India is expected to post a ~27% CAGR between 2019 and 2024.  
Note: F – Forecast



## Government Initiatives- Focus to bring back Growth for Indian E Commerce Sector:

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In order to increase the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the Government in rolling out fiber network for 5G will help boost E-commerce in India.





**ADVANTAGE INDIA**

- **Growing demand:** India's e-commerce order volume increased by 36% in the last quarter of 2020, with the personal care, beauty & wellness (PCB&W) segment being the largest beneficiary.
- **Increasing Investment:** The recent rise in digital literacy has led to an influx of investment in E-commerce firms, levelling the market for new players to set up their base, while churning out innovative patterns to disrupt old functioning.
- **Policy support:** 100% FDI is allowed in B2B e-commerce. As per the new guidelines on FDI in E-commerce, 100% FDI under automatic route is permitted in the marketplace model of E-commerce.
- **Attractive opportunities:** Despite depressed consumer spending, economic slowdown and uncertainty created due to COVID-19, e-commerce players are expecting strong sales growth in 2021. Online grocery, e-pharmacy and social commerce are expected to see a bulk of the action in 2021.

#### 4. COMPANY AND PERFORMANCE OVERVIEW:

The Indian apparel industry, which is the second-largest contributor in retail after food and grocery, is also witnessing major shifts. In addition to fashion apparel, the growing demand for fashion accessories makes the Indian fashion market both interesting and lucrative.

*A country is best known by its culture, and a culture is best known by its tradition. In an endeavour to bring the best of our country's cultural fabric, quite literally, we "NANDANI CREATION LIMITED" launched "JaipurKurti.com"- a brand centered around representing Indian traditional wear for all occasions. JaipurKurti.com was created to explore the varied dynamics of Indian ethnic wear, presenting this heritage to modern women at its widest range. We are a leading fashion house specializing in traditional designs, culturally rich styles and ethnic wear for women.*

**JaipurKurti.com- A Tryst with India's Tradition**

**(Where Tradition meets Trends- A Production House for the Women of Today)**

**The three things necessary for a good style choice- fresh vibe, trend and comfort- are all displayed on the products of JaipurKurti.com**

*Your Company "NANDANI CREATION LIMITED" is engaged in the manufacturing and online trading of Women Apparels like kurtis, ethnic tops, palazzo, Patiala salwar suits, dupattas, quilted jackets, leggings, different variety of Bottom Wears, Shirts, etc. We are popularly known and Identified in apparel market by our brand name "Jaipurkurti.com" and "Amaiva-By Jaipur Kurti". Our brand is best known for its ethnic wear, kurtis and traditional designs having wide range of colours, patterns and sizes. We distribute our products by following e-retail model and have developed a sustainable business model over the period.*

The Retail Journey of the Company started in the year 2018 with the opening of our **1<sup>st</sup> Retail Flagship Store "Amaiva-By Jaipur Kurti"** which later got converted in **"Jaipur Kurti.com"** in January, 2020.

- Later the Company opened its **2<sup>nd</sup> Retail Store** in December, 2020 at Triton Mall, Jhotwara Jaipur.
- The **3<sup>rd</sup> Retail Store** was opened in February, 2020 at MGF Mall, Jaipur.
- The **4<sup>th</sup> Retail Store** was opened in July, 2021 at Gaurav Tower (GT), Jaipur.

We are moving towards the expansion of our Business and opening of our Retail Stores. We have opened 2 offline stores in the FY2020-21 and are eyeing the next phase of expansion to take the count of our stores total to 20-25 by the end of the FY2023.

Founded by Anuj Mundhra and Vandana Mundhra, our promoters have adequate experience in the line of business and looks after strategic as well as day to day business operations. Our Company started its commercial production in the F.Y. 2012-13 with an Annual Turnover of Rs. 59.20 Lakhs; thereby growing manifold in past eight years and recently recorded an Annual Turnover of Rs. 48.26 Cr for the F.Y. 2020-21. Brand Development and customer loyalty are one of the key factors of success in our industry. Our Brand has been well received upto now and we shall, continue to endeavour to build brand equity by supplying qualitative products at competitive prices.

#### **Business Strategy:**

- We manufacture the products after deep future predictions.
- A dynamic yet consistent approach to product development.
- Wide range of products, resulting in plenty of liberty of choice.
- Strict adherence to immaculate quality standards and control
- Supply in a short span of time
- A combination of technology and designs, leading to innovation
- Balanced use of different business activities to uphold a strong market position
- Team of Designers from Top Institutes

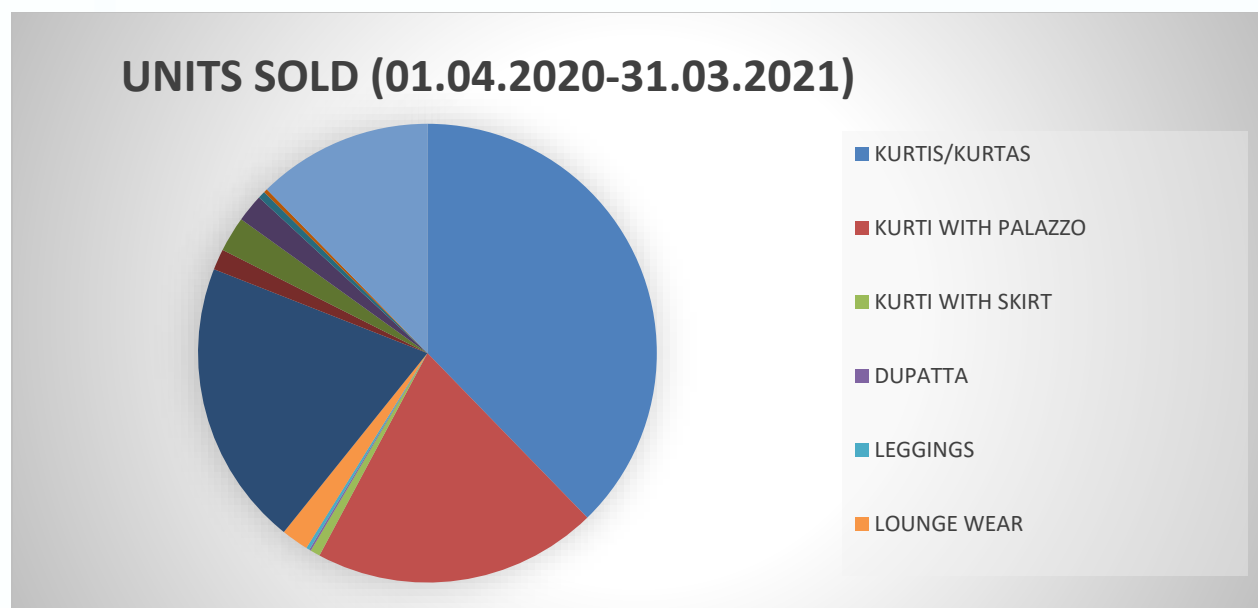


**5. OPPORTUNITIES & THREATS:**

The SWOT Analysis of the company is as follows:

**6. SEGMENTWISE OR PRODUCTWISE PERFORMANCE:**

The Company is engaged in the manufacturing of Women Apparels such as Kurtas/Kurtis, Kurti with Palazzo, Kurti with Skirt, Pants, Salwar Dupattas etc. The Bifurcation of the total units sold by us in the FY 2020-21 is as follows:



**7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls as laid down are adequate and were operating effectively during the year.

**8. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

Our people are at the heart of how we do business. It is their talent and skills that will take us to our dream of becoming a \$1 billion brand. We continue to invest in building best-in-class fashion teams. Recognizing that the workforce will provide critical competitive edge in its growth endeavor, the Company has laid emphasis on recruiting, maintaining and developing its human asset base.

The Company treasures its human resource as it is the most critical element responsible for the growth of the Company. It ensures a safe, conducive and productive work environment across its properties. The Company provides regular skill and personnel development training to enhance employee productivity and keep pace with technological advancements. The experienced and talented employee pool plays a key role in enhancing business efficiency, devising strategies, setting-up systems and evolving business.

**9. FINANCIAL OVERVIEW:**

Analysis of the profit and loss statement: (IN LACS)

PARTICULARS	CONSOLIDATED		STANDALONE	
	2020-21	2019-20	2020-21	2019-20
TOTAL REVENUE	4826.52	4709.38	4609.48	4374.00
TOTAL EXPENSES	4563.45	4571.57	4363.20	4261.78
PBT	258.08	125.80	246.28	107.62
PAT	190.43	85.22	178.01	74.17
EARNING PER SHARE	2.30	1.14	2.15	0.99
DEBT EQUITY RATIO	0.32	1.02	0.28	0.49
DEBT SERVICE COVERAGE RATIO	1.35	0.60	1.40	0.56
INTEREST SERVICE COVERAGE RATIO	2.92	2.05	3.50	2.14

**10. BUSINESS HIGHLIGHTS:**

*The Future prospectus/Business Highlights are as follows:*

- **OPENING OF NEW RETAIL STORES:** We have opened 2 offline stores in the FY2020-21 and are eyeing the next phase of expansion to take the count of our stores total to 20-25 by the end of the FY2023.
- **REVENUE GENERATION:** Soon to touch 100 Crore group in next 3-4 years.
- **E-RETAILERS (GAME CHANGERS):** E retailers are the major Game changers for the Indian Economy in the year 2021 post COVID-19 pandemic
- **MAIN BOARD MIGRATION:** The Company has received In-principle approval from the Stock Exchange regarding Main Board Migration and the Principle/Final Approval from the Stock Exchange is awaited. The Listing on the Main Board is likely to have wider participation from investors at large and trading in the Equity Shares of the Company on the Main Board will go on the long way in enhancing the image and goodwill of the Company. The benefits of listing on the Main Board in the form of market Capitalization, enhanced liquidity, larger participation, visibility etc., will accrue to the Members of the Company.

By Migrating on the Main Board the goodwill and the growth of the Company will increase and Company will be able to expand its business

**11. ENVIRONMENT, CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY:**

Being a responsible corporate citizen, your Company strongly follows to giving back to the society. CSR initiatives help elevate the quality of life of the people by promoting healthcare, education and employment opportunities. Your Company will take numerous initiatives to develop local community around its manufacturing facilities and aims to continue its efforts to build on its tradition of social responsibility to empower communities.

**12. FORWARD LOOKING STATEMENT:**

This Management Discussion & Analysis Report contains statements about expected future events and financial and operating results of Raymond Group, which may be classified as forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Further, certain key performance indicators mentioned in the Annual Report are based on classifications made by the Company. Do not place undue reliance on forward-looking statements as a number of factors could cause assumptions and actual future results or events to differ materially from those expressed in these forward-looking statements.

**13. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward looking statements and progressive within the meaning of applicable laws and regulations. The Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

## ANALYSIS OF MANAGERIAL REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended the statistical analysis of the remuneration paid to Directors and Key Managerial Personnel (KMP) as against the other employees of the company and with respect to the performance of the company (PAT) is given below:

1. The percentage increase in the remuneration of each director and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name of the Director	Ratio of the remuneration of each director to the median remuneration of the employees	Percentage increase in the remuneration for the Financial Year 2020-21 as compared to previous year remuneration
Mr. Anuj Mundhra	12.50:1	150%
Mrs. Vandana Mundhra	5.00:1	--
Mrs. Sunita Devi Mundhra	3.33:1	--

\* Median Remuneration of the Employees of the Company being to be 2,16,000

2. The percentage increase in remuneration of following Key Managerial Personnel (KMP), if any, in the financial year 2020-21:

Name of the Director	Ratio of the remuneration of each director to the median remuneration of the employees	Percentage increase in the remuneration for the Financial Year 2020-21 as compared to previous year remuneration
Mr. Dwarka Dass Mundhra	1.46:1	--
Ms Gunjan Jain	1.67:1	11.07%

3. The percentage increase in the median remuneration of employees in the financial year: **17.39%**
4. The number of permanent employees on the rolls of company; **63 Employees**
5. The median remuneration of employees of the Company during the Financial year: **2.16 Lacs**
6. Affirmation that the remuneration is as per the remuneration policy of the Company; **Remuneration paid during the year ended March 31, 2021 is as per Remuneration policy of the Company**



## ANNEXURE 6

7. Average percentile increase already made in the salaried of the employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in Managerial Remuneration:

The average annual increase in the salaries of employees was around 33.07% other than the managerial personnel. There was an increase of 46.56% percentage increase in the managerial remuneration, since there was increase in the salary of KMP's with the approval of shareholders.

DATE: JAIPUR  
PLACE: 01.09.2021

FOR AND ON BEHALF OF NANDANI CREATION LIMITED

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company of **NANDANI CREATION LIMITED** have affirmed compliance with the Code of Conduct for Board of Directors and senior management Personnel for the Financial Year 2020-21.

**FOR NANDANI CREATION LIMITED**

Place: JAIPUR  
Date: 01.09.2020

Sd/-  
Dwarka Dass Mundhra  
Chief Financial Officer

## CEO/CFO CERTIFICATION

To,  
The Board of Directors,  
Nandani Creation Limited

We, **Mr. Anuj Mundhra**, Chairman and Managing Director and **Mr. Dwarka Dass Mundhra**, Chief Financial Officer ("CFO") of the **Nandani Creation Limited**, to the best of our knowledge and belief, certify that:

- a. We have reviewed Financial Statements and the Cash flow Statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge, belief and Information:
  - i. These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These financial 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. These 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 financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we have are aware and the steps that we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. That there is no significant change in internal control over financial reporting during the year under reference;
  - ii. There is no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. There is no significant fraud of which we have become aware and that 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.

DATE: JAIPUR  
PLACE: 01.09.2021

FOR AND ON BEHALF OF NANDANI CREATION LIMITED

Sd/-  
**ANUJ MUNDHRA**  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
**DWARKA DASS MUNDHRA**  
CHIEF FINANCIAL OFFICER

# **INDEPENDENT AUDITORS' REPORT**

(REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS)

To  
The Members of  
**NANDANI CREATION LIMITED**  
Jaipur

## **Opinion**

We have audited the standalone financial statements of **NANDANI CREATION LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2021 and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at March 31, 2021 and its profit and its cash flows for the year ended on that date.

## **BASIS OF OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **KEY AUDIT MATTERS**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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. We have not observed anything which falls under this.

## **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

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

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



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

#### **RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the 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 decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant

audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order.

2. 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 appears from our examination of those

books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, remuneration paid/provided by the company to its directors during the year is in accordance with the requirements of Section 197(16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our

information and according to the explanations given to us:

- I. The Company does not have any pending litigations which would impact its financial position.
- II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- III. There were no amounts which required to be transferred to the Investor Education and Protection Fund.

**FOR ASHOK HOLANI AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN: 009840C**

**Sd/-**  
**RAHUL JANGIR**  
**PARTNER**  
**M NO.: 435804**  
**UDIN-21435804AAAADM9920**

**PLACE: JAIPUR**  
**DATE: 30.06.2021**

**ANNEXURE A REFERRED TO IN PARAGRAPH 7 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF NANDANI CREATION LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2021.**

1. On the basis of the information and explanation given to us during the course of our audit, we report that:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) According to the information and explanations given to us and based on the records of the company examined by us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and based on the records of the company examined by us, the company does not own any Immovable property, therefore reporting under this clause is not applicable on the company
2. According to the information and explanations given to us and based on the records of the company examined by us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. The company has granted Unsecured loan of Rs.22.66 Lacs companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In this regard
  - (a) All the terms and conditions of the grant of such loan are not prejudicial to the interest of the company.
  - (b) No Stipulation in regard to repayment of principal amount is stipulated however interest is received as stipulated and receipts are regular.
  - (c) Since no stipulation for repayment is specified, amount is not overdue.
4. According to the records of the company examined by us and as per the information and explanations given to us, the company has not granted any loans, made investments, provided guarantee or security to parties listed under Section 185 and 186 of the Companies Act, 2013, therefore no reporting is applicable under these sections.
5. The company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013
7. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, Goods and service tax, duty of customs, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on 31st March, 2021 for a period of more than six months from the date on when they become payable.
  - (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no outstanding dues of Income tax or Goods and Service tax or Duty of Customs which have not been deposited on account of any dispute.
7. According to the information and explanations given to us and based on the records of the company examined by us, the company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders
8. According to the information and explanations given to us and based on the records of the company examined by us, company has not raised money by way of initial public offer during the year. Hence, clause 3(ix) of the Order is not applicable to it.
9. During the course of our examination of the books and records of the company carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the company or on the company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.



10. According to the records of the company examined by us and as per the information and explanations given to us, the company has complied with the provisions of Section 197 read with Schedule V to the Act. For details refer Para Number 15 of Note No 1 of the significant accounting policies.
11. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable to it.
12. According to the information and explanations given to us and based on the records of the company examined by us, the company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable rules, and where applicable, for all transactions with the related parties and the details of the related party transaction have been disclosed in the financial statements in note no. 25.11a and 25.11bas required by the applicable accounting standards.

**DATE: 30.06.2021**

**PLACE: JAIPUR**

13. According to the information and explanations given to us and based on the records of the company examined by us, the company is a listed entity and has made preferential allotment of Rs.1.80 Cr. during the year. All the requirements as specified U/s.42 of the Companies Act, 2013 has been complied and money so raised have been used for the purpose it was raised.
14. According to the records of the company examined in course of our audit and as per information and explanations given to us, the company has not entered in any non-cash transaction with directors or persons connected with him. Hence, provisions of Section 192 are not applicable to the company
15. According to information and explanations given to us and on the basis of records of the company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR ASHOK HOLANI AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN: 009840C**

**Sd/-**  
**RAHUL JANGIR**  
**PARTNER**  
**M NO.: 435804**  
**UDIN-21435804AAAADM9920**

**ANNEXURE B REFERRED TO IN PARAGRAPH 8(G) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF NANDANI CREATION LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2021.**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **NANDANI CREATION LIMITED**. ("The Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies

Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

**DATE: 30.06.2021**

**PLACE: JAIPUR**

override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR ASHOK HOLANI AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN: 009840C**

**Sd/-**  
**RAHUL JANGIR**  
**PARTNER**  
**M NO.: 435804**  
**UDIN-21435804AAAADM9920**

NANDANI CREATION LIMITED					
CIN: L18101RJ2012PLC037976					
Balance Sheet as at 31 March, 2021					
Particulars	Note No.		As at 31 March, 2021		As at 31 March, 2020
<b>A EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	2	10,03,39,500.00		8,23,39,500	
(b) Reserves and surplus	3	4,87,78,405.28	14,91,17,905	1,83,77,771	10,07,17,271
<b>2 Non-current liabilities</b>					
(a) Long-term borrowings	4	1,79,10,905		3,95,39,383	
(b) Deferred tax liabilities (net)	25.10	-		-	
(c) Other long-term liabilities	5	10,02,968.00	1,89,13,873	13,34,730	4,08,74,113
<b>3 Current liabilities</b>					
(a) Short-term borrowings	6	1,66,96,626		1,02,78,397	
(b) Trade payables	7	3,22,38,314		6,54,36,898	
(c) Other current liabilities	8	2,43,85,147		2,93,90,554	
(d) Short-term provisions	9	29,11,936	7,62,32,024	40,48,543	10,91,54,392
<b>TOTAL</b>			<b>24,42,63,803</b>		<b>25,07,45,776</b>
<b>B ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Property, Plant and Equipment	10				
(i) Tangible assets		1,12,47,458		1,03,59,209	
(ii) Intangible assets		4,06,870		4,84,794	
(iii) Capital work-in-progress		53,632		-	
(iv) Intangible assets under development					
(v) Fixed assets held for sale		1,17,07,960		1,08,44,003	
(b) Non-current investments	11	52,89,600		52,89,600	
(c) Deferred tax assets (net)	25.10	7,00,411		6,76,369	
(d) Long-term loans and advances	12	56,55,155		41,10,445	
(e) Other non-current assets		-	2,33,53,125	-	2,09,20,417
<b>2 Current assets</b>					
(a) Current investments		-		-	
(b) Inventories	13	13,87,53,302		15,52,53,304	
(c) Trade receivables	14	5,14,88,541		5,33,60,177	
(d) Cash and cash equivalents	15	12,93,876		10,25,945	
(e) Short-term loans and advances	16	2,87,06,486		1,95,88,440	
(f) Other current assets	17	6,68,473	22,09,10,678	5,97,494	22,98,25,359
<b>TOTAL</b>			<b>24,42,63,803</b>		<b>25,07,45,776</b>
The accompanying notes 1 to 25 are an integral part of the financial statements					

IN TERMS OF OUR REPORT OF EVEN DATE  
FOR ASHOK HOLANI & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF NANDANI CREATION LIMITED

Sd/-  
RAHUL JANGIR  
PARTNER  
M.No. 435804

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

DATE: 30.06.2021  
PLACE: JAIPUR  
UDIN: 21435804AAAADM9920

Sd/-  
DWARKA DASS MUNDHRA  
CHIEF FINANCIAL OFFICER

Sd/-  
GUNJAN JAIN  
COMPANY SECRETARY

# STANDALONE FINANCIAL STATEMENTS FY 2020-21

NANDANI CREATION LIMITED			
CIN: L18101RJ2012PLC037976			
Statement of Profit and Loss for the year ended 31st March, 2021			
Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Gross Income</b>			
Revenue from operations (gross)	18	45,68,85,742	43,52,58,673
Less: Excise duty		-	-
Revenue from operations (net)		45,68,85,742	43,52,58,673
Other income	19	40,62,455	21,40,685
<b>Total revenue</b>		<b>46,09,48,197</b>	<b>43,73,99,358</b>
<b>Expenses</b>			
Cost of materials consumed	20(a)	6,79,37,050	8,19,99,432
Purchases of stock-in-trade	20(b)	9,64,57,708	11,02,26,325
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20(c)	2,25,23,915	(5,32,03,499)
Employee benefits expense	21	1,49,09,648	1,75,94,167
Finance costs	22	1,18,45,033	1,28,98,228
Depreciation and amortisation expense	10	33,62,099	34,25,169
Other expenses	23	21,92,84,535	25,32,38,368
<b>Total expenses</b>		<b>43,63,19,988</b>	<b>42,61,78,189</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>2,46,28,209</b>	<b>1,12,21,169</b>
Exceptional items	24	4,60,000	4,60,000
<b>Profit / (Loss) before tax</b>		<b>2,41,68,209</b>	<b>1,07,61,169</b>
<b>Tax expense:</b>			
(a) Current tax expense for current year		63,72,968	33,35,322
(b) Tax expense for previous year		18,649	1,58,193
(c) Deferred tax	25.10	24,042	1,48,545
<b>Profit / (Loss) for the year</b>		<b>1,78,00,634</b>	<b>74,16,198</b>
<b>Earnings per share ( Face Value of Rs.10/-each):</b>	25.9		
(a) Basic		2.15	0.99
(b) Diluted		2.15	0.99
<b>Restated Earnings per share ( Face Value of Rs.10/-each):</b>			
(a) Basic		2.15	0.99
(b) Diluted		2.15	0.99
The accompanying notes 1 to 25 are an integral part of the financial statements			

IN TERMS OF OUR REPORT OF EVEN DATE  
FOR ASHOK HOLANI & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF NANDANI CREATION LIMITED

Sd/-  
RAHUL JANGIR  
PARTNER  
M.No. 435804

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

DATE: 30.06.2021  
PLACE: JAIPUR  
UDIN: 21435804AAAADM9920

Sd/-  
DWARKA DASS MUNDHRA  
CHIEF FINANCIAL OFFICER

Sd/-  
GUNJAN JAIN  
COMPANY SECRETARY



<b>NANDANI CREATION LIMITED</b> <b>CIN: L18101RJ2012PLC037976</b> <b>Standalone Cash Flow Statement for the period ended 31.03.2021</b>		
Particulars	For the period ended 31st March, 2021	For the period ended 31st March, 2020
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	2,46,28,209.00	1,12,21,169.00
<b>Adjustments for:</b>		
Exceptional item	(4,60,000.00)	(4,60,000.00)
Depreciation and amortisation	33,62,099.00	34,25,170.00
Finance costs	1,18,45,033.00	1,28,98,228.00
Operating profit / (loss) before working capital changes	3,93,75,341.00	2,70,84,567.00
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Current Investment		
Inventories	1,65,00,002.00	(4,62,13,713.00)
Trade receivables	18,71,636.00	91,02,040.00
Short-term loans and advances	(91,18,046.00)	(1,05,20,247.00)
Other Current assets	(70,979.00)	4,50,154.00
	91,82,613.00	(4,71,81,766.00)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(3,31,98,583.00)	3,37,35,152.00
Other current liabilities	(50,05,407.00)	(20,68,005.00)
Short-term provisions	(11,36,607.00)	(8,35,373.00)
	(3,93,40,597.00)	3,08,31,774.00
Cash generated from operations	92,17,357.00	1,07,34,574.00
Net income tax (paid) / refunds	(63,91,617.00)	(34,93,515.00)
<b>Net cash flow from operating activities (A)</b>	<b>28,25,740.00</b>	<b>72,41,059.00</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(42,26,057.00)	(21,20,064.00)
Investment Purchased		-
Long - Term Loans & Advances	(15,44,710.00)	(8,35,373.00)
	(57,70,767.00)	(30,06,436.00)
<b>Net cash flow used in investing activities (B)</b>	<b>(57,70,767.00)</b>	<b>(30,06,436.00)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Share Capital	1,80,00,000.00	86,00,000.00
Proceeds from Security Premium	1,26,00,000.00	-
Increase in long-term borrowings	(2,16,28,478.00)	84,60,708.00
Increase in other long-term borrowings	(3,31,762.00)	2,32,844.00
Net (increase) / decrease in working capital borrowings	64,18,299.00	(93,11,003.00)
Finance cost	(1,18,45,033.00)	(1,28,98,228.00)
<b>Net cash flow used in financing activities (C)</b>	<b>32,13,026.00</b>	<b>(49,15,678.00)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A-B-C)</b>	<b>2,67,999.00</b>	<b>(6,81,055.00)</b>
Cash and cash equivalents at the beginning of the year	10,25,945.00	17,07,000.00
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
<b>Cash and cash equivalents at the end of the year</b>	<b>12,93,944.00</b>	<b>10,25,945.00</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet	12,93,876.00	10,25,945.00
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow		
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	12,93,876.00	10,25,945.00
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3)		
<b>Cash and cash equivalents at the end of the year *</b>	<b>12,93,876.00</b>	<b>10,25,945.00</b>
* Comprises:		
(a) Cash on hand	7,42,373.00	6,94,535.00
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	5,51,503.00	3,31,410.00
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		
(d) Others (specify nature)		
<b>Notes:</b>		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		

IN TERMS OF OUR REPORT OF EVEN DATE  
FOR ASHOK HOLANI & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF NANDANI CREATION LIMITED

Sd/-  
RAHUL JANGIR  
PARTNER  
M.No. 435804

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

DATE: 30.06.2021  
PLACE: JAIPUR  
UDIN: 21435804AAAADM9920

Sd/-  
DWARKA DASS MUNDHRA  
CHIEF FINANCIAL OFFICER

Sd/-  
GUNJAN JAIN  
COMPANY SECRETARY

**NOTE NO.1 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON 31<sup>ST</sup> MARCH 2021****NOTE (1A). BACKGROUND OF THE COMPANY**

The Company was incorporated as Nandani Creation Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation having CIN: U18101RJ2012PLC037976 dated February 21, 2012, in Jaipur. Further, Company was converted into public limited company i.e. Nandani Creation Limited having CIN: L18101RJ2012PLC037976 vide fresh certificate of incorporation dated August 12, 2016.

The registered office of the company is situated G-13 Kartarpura Industrial Area Near 22 Godam, Jaipur-302006.

The company is engaged in Manufacturing, produced, import, export, wholesalers, trader, buyer, seller, job workers of dress materials, suits, sarees, garments of men, women and children including sportswear, active wear, daily wears, fashion wears, party wears wearing apparels purses, belts, wallets, and other allied good made from cotton, silk, synthetics, jute, velvet, woolen, leather, rexin or with any combination thereof and to participate in local, national and international trade fairs, sales exhibitions, seminars, fashion shows or any other sales promotion scheme. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013.

**NOTE (1B). SIGNIFICANT ACCOUNTING POLICIES: -****1. Basis of Accounting: -**

The financial statements are prepared in accordance with the applicable Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014 under the Historical cost convention, on accrual basis.

The Financial Statements are prepared under the Historical Cost Conversion using the accrual method of Accounting, in accordance with the accounting standards prescribed by the Institute of Chartered Accountants of India. However, the Insurance Claims and other than cash compensatory Incentives are accounted on the basis of receipt. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis, except in case of significant uncertainties relating to the income.

**2. Revenue Recognition: -**

Revenue has been considered as per AS 9- Revenue Recognition issued by Institute of Chartered Accountants of India.

**3. Taxes on Income:-**

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profit of the year at applicable tax rates.

Deferred taxes on income reflect the impact of timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years, if any.

For detailed breakup of current year deferred tax refer to sub note 5 to Note No.1c. (Notes to the accounts)

**4. Provisions and Contingent Liability: -**

A Provision is recognized, if as a result of past event the company has a present obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the Obligation.

Contingent Liability is a possible Obligation that arises from past events and the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

**5. Tangible Assets & Capital Work-In-Progress: -**

Tangible Assets are stated at cost less Depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

**6. Impairment of Assets: -**

Pursuant to "AS-28 Impairment of Assets" issued by the Central Government under the Companies (Accounting Standard) Rules 2006 for determining Impairment in the carrying amount of fixed assets, the management has concluded at since

recoverable amount of fixed Assets is not less than its carrying amount, therefore no provision is required for impairment in respect of fixed Assets owned by the Company.

#### 7. Depreciation: -

Deprecation on tangible assets is provided on "Written down Value Method" over the useful lives of the assets estimated by the Management. The Management estimates are based on the useful life provided in the Schedule II to Companies Act 2013. The Useful Life of Various assets are mentioned in the Chart below.

Sr. No	Major Head	Assets Included	Useful Life
1.	Plant and Equipment	All Plant and machinery	15 Years
2.	Furniture & Fittings	All Furniture and Fixtures	10 Years
3.	Office Equipment	Air Conditioner, EPBX, Fan, Mobile, CC TV Camera, Finger Print Machine, Water Cooler, Bar Code Machine	5 Years
4.	Motor Vehicle	Truck & Cars	8 Years
5.	Computer and Data Processing Units	Computers and Printers	3 Years

#### 8. Earnings per Share: -

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. The numbers of equity shares are adjusted retrospectively for all periods presented.

The Calculation of Weighted Average Number of Equity Shares for Earning per share is described below: -

Particulars	Current Year			Previous Year		
	No. Of Shares outstanding	No. Of Days outstanding	Weighted average number of Shares	No. Of Shares Outstanding	No. Of Days outstanding	Weighted average number of Shares
Number of Shares outstanding at the Beginning of the year	8233950	365	8233950	2949580	365	2949580
By way of Bonus Issue	0	0	0	4424370	365	4424370

## STANDALONE FINANCIAL STATEMENTS FY 2020-21

Issue through preferential allotment	1800000	9	44384	860000	34	80110
Total Shares outstanding at the end of the year	10033950		8278333.56	8233950		7454060

The Calculation of Weighted Average Number of Equity Shares for Restated Earnings per share described below: -

Particulars	Current Year			Previous Year		
	No. Of Shares outstanding	No. Of Days outstanding	Weighted average number of Shares	No. Of Shares Outstanding	No. Of Days outstanding	Weighted average number of Shares
Number of Shares outstanding at the Beginning of the year	8233950	365	8233950	2949580	365	2949580
By way of Bonus Issue	0	0	0	4424370	365	4424370
Issue through preferential allotment	1800000	9	44384	860000	34	80110
Total Shares outstanding at the end of the year	10033950		8278333.56	8233950		7454060

### 9. Investments: -

Investments are either classified as current or non-current based on management's intention. Long Term Investments includes investment made in the share capital of Subsidiary Company which are carried at cost.

### 10. Foreign Currency Transactions: -

a). Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.

b). Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the yearend rates. However, in current year Company has not translated monetary items at yearend rates.

c). Any income or expense on account of exchange difference between the date of transaction and on settlement Date or on translation is recognized in the profit and loss account as income or expense except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.



d). As per the information provided by the management, the company has not entered into any forward contracts.

#### 11. Valuation of Inventories

The inventories are physically verified at regular intervals by the Management. Raw materials, stores and Spares are valued at cost Finished Goods and Traded Goods are valued at Cost or Market Value/Contract Price Whichever is lower.

#### 12. Gratuity Valuation: -

The company is not participating in any employee benefits plans for payment of gratuity and other retirement benefits. The gratuity liability is ascertained on the report of actuary and provision of the same has been made in the books of accounts.

#### 13. Duty Drawback: -

Duty Drawback is recorded on Receipt basis. Management is not able to estimate the amount of Claim receivable, therefore the duty drawback is recorded on receipt basis rather than on Accrual basis.

#### 14. Prior Period Expenses: -

Prior Period Expenses for previous years have been expensed out during the current year and it is disallowed as per Income Tax Act.

#### 15. Management Remuneration: -

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in the below mentioned table: -

##### **A. Remuneration to Managing Director, WTD and / or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		MD	WTD	
1.	Gross Salary	27,00,000.00	18,00,000.00	45,00,000.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961.			
	b) Value of perquisites u/s 17 (2) of Income Tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
5.	Any other Benefits	0	0	0
	Total	27,00,000.00	18,00,000.00	45,00,000.00

	Ceiling as per Schedule V of the Companies Act on the account of inadequate profit			60,00,000.00
--	--	--	--	--------------

The remuneration is paid as per limits sets out in Section II Part A of Schedule V in case of no profit or inadequate profit and as per resolution passed in the General meeting of the members.

**B. Remuneration to key managerial personnel other than MD / Manager/ WTD: -**

Sr. No.	Particulars of Remuneration	Name of Managerial Person other than MD / WTD / Manager	CEO	CFO	CS	Total Amount
1.	Gross Salary		0.00	3,60,000.00	3,51,850.00	7,11,850.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act,1961.		0	0	0	0
	b) Value of perquisites u/s 17 (2) of Income Tax Act,1961		0	0	0	0
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	0	0
2.	Stock option		0	0		0
3.	Sweat Equity		0	0		0
4.	Commission		0	0		0
5.	Any other Benefits		0	0		0
	<b>Total</b>		<b>0.00</b>	<b>3,60,000.00</b>	<b>3,51,850.00</b>	<b>7,11,850.00</b>

**16. Cash and Cash Equivalents: -**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**17. Segment Reporting: -**

The activities of the company are such that the According to AS-17 "Segment Reporting: is not applicable in the company.

**Note 1c. Notes to Accounts: -**

1. The Financial Statements for the year ended on 31st March, 2020 are prepared based on Schedule III of Companies Act 2013.

2. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements / information may not necessarily be same as those appearing in the respective audited financial statements for the previous year.

3. The Micro Small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006 have been taken based on the list of MSME creditors provided by the management. However, as the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

**4. Related Party Disclosure (AS18):-** Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the below mentioned table:

Nature of Transaction	Period	
	2020-21	2019-20
<b>1. Mr. Anuj Mundra (MD)</b>		
Remuneration (Gross Paid)	2,700,000.00	1,080,000.00
Rent Paid	630,000.00	1,080,000.00
Interest Paid	933,865.00	11,00,648.00
Equity Contribution	11,900,000.00	47,50,000.00
Repayment of Loan	1,07,73,344.33	0
<b>2. Mrs. Sunita Devi Mundra (WTD)</b>		
Remuneration (Gross Paid)	7,20,000.00	7,20,000.00
Rent Paid	0	0
Interest Paid	568,936.00	5,12,598.00
Equity Contribution	93,50,000.00	25,00,000.00
Repayment of Loan	30,64,670.00	0
<b>3. Mrs. Vandana Mundra (WTD)</b>		
Remuneration (Gross Paid)	1,080,000.00	1,080,000.00
Royalty paid	0.00	10.00
Interest paid	477,998.00	2,17,488.00
Equity Contribution	93,50,000.00	13,50,000.00
Repayment of Loan	16,88,850.00	0
<b>4. Mr. Dwarka Das Mundra (CFO)</b>		
Remuneration (Gross Paid)	3,60,000.00	3,60,000.00
Repayment of Loan	57,896.00	0.00
Equity Contribution	0.00	0.00
<b>5. Gunjan Jain (CS)</b>		
Remuneration (Gross Paid)	3,53,300.00	3,11,362.00
<b>6. Desi Fusion India Private Limited</b>		
Job Charges	0.00	0.00
Stitching Charges	1,01,03,614.00	1,70,08,389.00
Interest Received	1,88,289.00	2,26,582.00
Purchase Goods	10,60,32,165.90	11,56,47,143.00
Sale of Goods	98,916.30	75,00,000.00
Unsecured Loan to Company	0.00	20,92,105.00

**5. Accounting for Taxes on Income (AS 22) Deferred Tax liability/Asset in view of Accounting Standard – 22: -**  
 “Accounting for Taxes on Income” as at the end of the year / period is reported in the below mentioned table: -

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Deferred tax Assets (Opening Balance)</b>	<b>6,76,368.60</b>	<b>5,27,824.00</b>
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between depreciation as per books and as per tax		
On expenditure deferred in the books but allowable for tax purposes		
On items included in Reserves and surplus pending amortization into the Statement of Profit and Loss		
Others (DTA reversed during the year)		
<b>Tax effect of items constituting deferred tax liability</b>		
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences, gratuity and other employee benefits		
Provision for doubtful debts / advances		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		
On difference between depreciation as per books and as per tax	24,042.02	1,48,544.60
Unabsorbed depreciation carried forward		
Brought forward business losses		
On items included in Reserves and surplus pending amortization into the Statement of Profit and Loss		
Others - Preliminary Expenses		
<b>Tax effect of items constituting deferred tax assets</b>		
<b>Net deferred tax asset</b>	<b>7,00,410.62</b>	<b>6,76,368.60</b>

The Company has recognized deferred tax asset on Depreciation as per books and depreciation allowable as per Income Tax Act 1961.

The net deferred tax asset is classified as non-current assets and disclosed on the face of the Balance Sheet.

6. Amounts in the financial statements Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values.

7. Unsecured loans, advances from customers, advances recoverable in cash or in kind, investments and various other

parties are subject to confirmations.

8. The management of the company has carried out an exercise to ascertain impairment of Fixed Assets, if any. In the opinion of the management of the company there is no indication of impairment of assets as at 31/03/2021 and therefore no effect of impairment is required to be given in the books of account.

9. Cash Balance is taken as valued & certified by management.

**10. Pending Litigations and Criminal Proceedings: -**

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors, our Promoters and our Group Entities and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by our Company, default in creation of full security as per terms of issue/other liabilities. No proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1of Schedule V to the Companies Act other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors and Group Entities.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, our Promoters, our directors or our Promoter Group Entities, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigation, defaults etc. in respect of companies / firms / ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on our Company our Promoters, our Directors or our Group Entities from any statutory authority / revenue authority that would have a material adverse effect on our business.

**a. Outstanding Demands relating to Direct Taxes: -**

There is no Demands relating to Direct Taxes.

**b. Outstanding Demands relating to Indirect Taxes: -**

There is no Demands relating to Indirect Taxes.



**Notes forming part of the financial statements****Note 2 Share capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
(a) Authorised Equity shares of Rs.10/- each with voting rights	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
(b) Issued Equity shares of ` Rs.10/- each with voting rights	1,00,33,950	10,03,39,500	82,33,950	8,23,39,500
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	1,00,33,950	10,03,39,500	82,33,950	8,23,39,500
	1,00,33,950	10,03,39,500	82,33,950	8,23,39,500
<b>Total</b>	<b>1,00,33,950</b>	<b>10,03,39,500</b>	<b>82,33,950</b>	<b>8,23,39,500</b>

Refer Notes 2.1 to 2.4 below

**Note 2.1 Reconciliation of the number of Equity Share outstanding is set out below :**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
As at the beginning of the year	82,33,950	8,23,39,500	29,49,580	2,94,95,800
Add : Shares issued through allotment Bonus	-	-	44,24,370	4,42,43,700
Add : Shares issued through consideration other than cash				
Add : Share issued through Preferential allotment	18,00,000	1,80,00,000	8,60,000	86,00,000
As at the end of the year	1,00,33,950	10,03,39,500	82,33,950	8,23,39,500
	1,00,33,950	10,03,39,500	82,33,950	8,23,39,500

**Note 2.2 Shareholders holding more than 5% of the Equity share in the company**

Name of the ShareHolders	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Anuj Mundra	37,22,225	37.10%	30,22,225	36.70%
Mrs. Vandna Mundra	19,76,975	19.70%	14,26,975	17.33%
Maverick Share Brokers Limited	-	-	7,25,000	8.81%
Sunita devi Mundhra	11,97,250	11.93%	6,47,250	7.86%
	68,96,450	68.73%	58,21,450	70.70%

**Note 2.3 Rights, preferences and restrictions attached to the equity shares**

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

**Note 2.4 Issue through Preferential allotment**

The company has issued and allotted 18,00,000 equity share as preferential share on 23.03.2021 by conversion of unsecured loan taken from its directors.

Notes forming part of the financial statements				
Note 3 Reserves and surplus				
Particulars	As at 31 March, 2021		As at 31 March, 2020	
<b>(i) Surplus / (Deficit) in Statement of Profit and Loss</b>				
As per previous year balance sheet		1,78,77,771		2,46,28,190
Add: Profit / (Loss) for the year		1,78,00,634		74,16,198
Less: Bonus Issued		-		1,36,66,617
Less: Transfer to general reserve		-		5,00,000
<b>Closing balance</b>		<b>3,56,78,405</b>		<b>1,78,77,771</b>
<b>(ii) General Reserve</b>				
As per previous year balance sheet		5,00,000		5,00,000
Add: Transferred from Profit & Loss account		-		5,00,000
Less: Bonus share issued during the year		-		5,00,000
<b>Closing balance</b>		<b>5,00,000</b>		<b>5,00,000</b>
<b>(iii) Security Premium</b>				
As per previous year balance sheet		-		3,00,77,083
Add: Proceed Received from Issue of share		1,26,00,000		-
Less: Bonus Issued		-		3,00,77,083
<b>Closing balance</b>		<b>1,26,00,000</b>		<b>-</b>
<b>Total</b>		<b>4,87,78,405</b>		<b>1,83,77,771</b>
Note 4 Long term borrowings				
Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Non current Maturities	Current Maturities	Non current Maturities	Current Maturities
<b>A. Term loans</b>				
<b>a). From banks</b>				
<b>Secured</b>				
1) HDFC Bank Limited	-	48,398	23,110	2,63,047
2) Bank Of India	28,32,983	9,67,017		
<b>Unsecured</b>				
<b>a). From NBFC and other financial Institutions</b>	1,25,04,017	2,23,31,065	1,96,36,329	2,79,91,856
<b>Total (A)</b>	<b>1,53,36,999</b>	<b>2,33,46,481</b>	<b>1,96,59,439</b>	<b>2,82,54,903</b>
<b>(B) Loans &amp; Advances From Related parties (Refer Note No. 25.11, 25.11a &amp; 25.11b)</b>				
<b>Secured</b>				
<b>Unsecured</b>				
1.) Anuj Mundra	11,49,248	-	1,09,88,727	-
2.) Sunita Devi Mundra	8,35,120	-	33,30,854	-
3.) Vandana Mundra	5,66,011	-	17,76,863	-
4.) Dwarka Das Mundhra	23,527	-		
<b>(C) Loans &amp; Advances From Others</b>				
<b>Secured</b>				
<b>Unsecured</b>				
	-	-	37,83,500	-
<b>Total (B+C)</b>	<b>25,73,906</b>	<b>-</b>	<b>1,98,79,944</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,79,10,905</b>	<b>2,33,46,481</b>	<b>3,95,39,383</b>	<b>2,82,54,903</b>
<b>Notes: 4.1</b>				
(ii) Details of Long-term borrowings guaranteed by some of the directors or others:				
Particulars	As at 31 March, 2021		As at 31 March, 2020	
Loans repayable on demand from banks		38,48,398		2,86,157
Loans repayable on demand from other parties		3,48,35,082		4,76,28,185
Loans and advances from related parties		25,73,906		1,60,96,444
Other loans and advances		-		37,83,500
<b>Total</b>		<b>4,12,57,386</b>		<b>6,77,94,286</b>

**Note 4.2 Additional information to Secured/Unsecured long term borrowings**

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Revised Schedule III.

**Note 4.3 Details of securities and Terms of repayment****I. Secured**

(A). Term Loans

a). Banks

**1. HDFC Bank Limited - Note 4(A)(a)(1)**

Secured by hypothecation of Honda City car as specified in the schedule annexure to the loan agreement executed on 29.03.2016. The loan is repayable in 62 monthly installments comprising of first 61 installements of Rs.23,300 and last installement of Rs.2426. The period of maturity w.r.t balance sheet date is 3 months.

**2. Bank of India - Note 4(A)(a)(2)**

Company has taken Loan (WCTL) from Bank Of India amounting as for Rs.38 Lakhs which is used to augment net working capital. The Loans is secured by hypothecation of entire stock. The Loans carries ROI of 7.85%. The Loans is sanctioned for 48 months and there will be moratorium of 12 months. The repayment shall commence from June 2021 in 36 monthly installement of Rs. 1,18,816. The period of maturity w.r.t balance sheet date is 36 months.

**Notes forming part of the financial statements****Note 5 Other long-term liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Trade Payables: *		
(A) total outstanding dues of micro enterprises and small enterprises	8,378	8,378.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	9,306	5,42,551
(b) Others:		
(i) Payables on purchase of fixed assets		
(ii) Contractually reimbursable expenses		
(iii) Interest accrued but not due on borrowings		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Advances from customers		
(viii) Income received in advance (Unearned revenue)		
(ix) Gratuity Fund	9,85,284	7,83,801
<b>Total</b>	<b>10,02,968.00</b>	<b>13,34,730.00</b>

## Notes forming part of the financial statements

## Note 6 Short-term borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
	-	-
(a) Loans repayable on demand		
From banks		
Secured	1,66,96,626	1,02,78,397
Unsecured		-
	1,66,96,626	1,02,78,397
From other parties		
Secured		
Unsecured		
	-	-
<b>Total</b>	<b>1,66,96,626</b>	<b>1,02,78,397</b>

## Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2021	As at 31 March, 2020
		-	-
<u>Loans repayable on demand from banks:</u>			
a) Bank of India CC A/c	Secured by hypothecation of stock & debtors of the company and personnel guarantee of all the directors of the company. The loan is further secured by Government of India under CGTSME scheme The Applicable rate of interest on CC limit is 8.60% p.a. with monthly rest.	1,66,96,626	1,02,78,397
<b>Total - from banks</b>		<b>1,66,96,626</b>	<b>1,02,78,397</b>

**Notes forming part of the financial statements****Note 7 Trade payables**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade payables:		
(A) total outstanding dues of micro enterprises and small enterprises	1,10,36,009	4,11,37,539
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,12,02,305	2,42,99,358
<b>Total</b>	<b>3,22,38,314</b>	<b>6,54,36,898</b>

Note 7.1 "For the disclourer of the suppliers under the Micro, small and medium enterprises Development Act, 2006, refer note no. 25.3

**Note 8 Other current liabilities**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Current maturities of long-term debt (Refer Note (i) below)	2,33,46,481	2,82,54,903
(b) Interest accrued but not due on borrowings	10,270	-
(c) Interest accrued and due on borrowings		
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes,	7,32,666	9,03,915
(ii) Payables on purchase of fixed assets		
(iii) Contractually reimbursable expenses		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Advances from customers	2,95,730	2,31,736
(viii) Others (specify nature)	-	
<b>Total</b>	<b>2,43,85,147</b>	<b>2,93,90,554</b>

Note (1) For the Current Maturities of long term borrowings (refer note 4 and note 4.1 in Note 4- Long term borrowings for details of borrowings, gurantee and details of current maturities

**Note 9 Short-term Provision**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Provision - Others:		
(i) Provision for Income tax (Actual Provision is Rs.63,72,968/- less Advance Tax and TDS Rs.5059742.39/-)	13,13,226	24,62,664
(ii) Provision		
a. Provision for Salary & wages	9,99,554	10,59,675
c. Provision for Electricity	1,15,702	84,204
d. Provision for expenses	1,53,454	1,42,000
e. Provision for statutory audit fees	3,30,000	3,00,000
<b>Total</b>	<b>29,11,936</b>	<b>40,48,543</b>



## Notes forming part of the financial statements

## Note 10 Property, Plant and Equipment

A.Tangible assets	Gross block			Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation / amortisation expense for the year	Balance as at 31 March, 2021	Balance as at 31 March, 2021	Balance as at 31 March, 2020
(a) Plant and Equipment Owned	53,72,592	39,88,100	-	93,60,692	19,97,758	11,19,217	31,16,975	62,43,717	33,74,834
(b) Furniture and Fixtures Owned	68,07,423.03	43,286	-	68,50,709	27,36,048	10,60,978	37,97,026	30,53,682	40,71,375
(c) Office equipment Owned	40,93,555.77	77,905	-	41,71,461	28,14,097	5,43,522	33,57,619	8,13,842	12,79,459
(d) Computer Owned	19,83,266.32	63,136	-	20,46,402	17,36,662	1,20,980	18,57,642	1,88,760	2,46,604
(e) Vehicles Owned	39,33,479.00	-	-	39,33,479	25,46,541	4,39,480	29,86,021	9,47,458	13,86,938
<b>Total</b>	<b>2,21,90,316</b>	<b>41,72,426</b>	<b>-</b>	<b>2,63,62,742</b>	<b>1,18,31,107</b>	<b>32,84,177</b>	<b>1,51,15,284</b>	<b>1,12,47,458</b>	<b>1,03,59,209</b>
Previous year	2,00,70,252	21,20,064	-	2,21,90,316	84,87,505	33,43,602	1,18,31,107	1,03,59,209	1,15,82,747

B.Intangible assets	Gross block			Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation / amortisation expense for the year	Balance as at 31 March, 2021	Balance as at 31 March, 2021	Balance as at 31 March, 2020
Software	6,22,881	-	-	6,22,881	1,38,087	77,924	2,16,011	4,06,870	4,84,794
<b>Total</b>	<b>6,22,881</b>	<b>-</b>	<b>-</b>	<b>6,22,881</b>	<b>1,38,087</b>	<b>77,924</b>	<b>2,16,011</b>	<b>4,06,870</b>	<b>4,84,794.38</b>
Previous Year	6,22,881	-	-	6,22,881	56,520	81,567	1,38,087	4,84,794	4,46,018
<b>Grand Total</b>	<b>2,28,13,197</b>	<b>41,72,426</b>	<b>-</b>	<b>2,69,85,623</b>	<b>1,19,69,194</b>	<b>33,62,101</b>	<b>1,53,31,295</b>	<b>1,16,54,328</b>	<b>1,08,44,003</b>

## Notes forming part of the financial statements

## Note 10a Capital Work in Progress

Particulars	As at 31 March, 2021	As at 31 March, 2020
Vaishali New Stock WIP	53,632	-
<b>Total</b>	<b>53,632</b>	<b>-</b>

Notes forming part of the financial statements						
Note 11 Non-current investments						
Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A. Trade						
(a) Investment in equity instruments						
(b) Investment in preference shares						
(c) Investment in debentures or bonds						
<b>Total - Trade (A)</b>						
B. Other investments						
(i) Of Related Parties						
(a) Desi Fusion India Pvt Ltd.499950 shares @ Rs 10/each		49,99,500	49,99,500		49,99,500	49,99,500
(C) Other non-current investments						
Sovering Gold Bond Scheme 2017-18		2,90,100	2,90,100		2,90,100	2,90,100
(Interest rate @2.5% every half year ended)						
<b>Total - Other investments (B)</b>		52,89,600	52,89,600		52,89,600	52,89,600
<b>Total (A+B)</b>		<b>52,89,600</b>	<b>52,89,600</b>		<b>52,89,600</b>	<b>52,89,600</b>
Less: Provision for diminution in value of investments						
<b>Total</b>			<b>52,89,600</b>			<b>52,89,600</b>
Aggregate amount of quoted investments						
Aggregate market value of listed and quoted investments						
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments		<b>52,89,600</b>			<b>52,89,600</b>	

**Notes forming part of the financial statements**  
**Note 12 Long-term loans and advances**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Loans and advances to related parties (refer note 25.11)		-
Unsecured, considered good	22,66,272	20,92,105
	22,66,272	20,92,105
Less: Provision for doubtful loans and advances		
	22,66,272	20,92,105
(b) Security deposits		
Unsecured, considered good	33,88,883	19,93,992
	33,88,883	19,93,992
Less: Provision for doubtful deposits		
	33,88,883	19,93,992
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) Advance Tax		
(iii) Tax Deducted at source/Advance Tax	-	24,348
	-	24,348
(d) Others (Advance recoverable in cash or Kind)		
Unsecured, considered good		-
Doubtful		
	-	-
Less: Provision for other doubtful loans and advances		
	-	-
<b>Total</b>	<b>56,55,155</b>	<b>41,10,445</b>

**Note: 12.1 Long-term loans and advances include amounts due from:**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Directors *	50,000	50,000
Other officers of the Company *		
Firms in which any director is a partner (give details per firm)		
From Subsidiary Company (Desi Fusion India Pvt Ltd)	22,66,272	20,92,105
	23,16,272	21,42,105

**Notes forming part of the financial statements****Note 13 Inventories**

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2021	As at 31 March, 2020
	-	-
a). Raw Material	85,57,114	33,18,919
b). Finished Goods	12,92,63,970	15,17,87,885
c). Stock of consumables and packing Material	9,32,217	1,46,500
<b>Total</b>	<b>13,87,53,302</b>	<b>15,52,53,304</b>

**Note 14 Trade receivables**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	-	-
a. More than six months	21,92,394	1,30,34,238
b. Other	4,92,96,147	4,03,25,939
	5,14,88,541	5,33,60,177
Less: Provision for bad and doubtful debts		-
	5,14,88,541	5,33,60,177
Unsecured, considered good	5,14,88,541	4,59,35,121
Doubtful	-	74,25,056
<b>Total</b>	<b>5,14,88,541</b>	<b>5,33,60,177</b>

Note 14.1: Trade receivables include debts due from:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Directors *		
Other officers of the Company *		
Private companies in which any director is a director or member		
	-	-

**Note 15 Cash and cash equivalents**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	-	-
(a) Cash on hand	7,42,373	6,94,535
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	5,51,503	3,31,410
(ii) In EEFC accounts		
(iii) In Deposit accounts		
(d) Others (specify nature)		
<b>Total</b>	<b>12,93,876</b>	<b>10,25,945</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	12,93,876	10,25,945

<b>Notes forming part of the financial statements</b>		
<b>Note 16 Short-term loans and advances</b>		
<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
(a) Loans and advances to related parties		
Unsecured, considered good		-
Less: Provision for doubtful loans and advances		-
(b) Security deposits		
Unsecured, considered good	-	-
Less: Provision for doubtful deposits		-
(c) Loans and advances to employees		
Unsecured, considered good	-	1,75,000
Doubtful		
Less: Provision for doubtful loans and advances	-	1,75,000
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
(i) Prepaid Expenses	11,70,939	7,39,706
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	2,26,754	2,26,754
(ii) Tax Deducted at source	-	-
(iii) Advance Tax	-	-
(iv) TCS Receivable	6,15,665	9,02,425
(v) GST Receivable	2,10,00,063	1,62,17,251
	2,18,42,482	1,73,46,430
(f) Others (Advance recoverable in cash or Kind)		
Unsecured, considered good	56,93,065	13,27,304
Doubtful		
Less: Provision for other doubtful loans and advances	56,93,065	13,27,304
<b>Total</b>	<b>2,87,06,486</b>	<b>1,95,88,440</b>
Note: 16.1 Short-term loans and advances include amounts due from:		
<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
Directors *	-	-
Other officers of the Company *	-	-
Firms in which any director is a partner (give details per firm)	-	-
From Subsidiary Company (Desi Fusion India Pvt Ltd)	40,11,647	-
	40,11,647	-
<b>Note 17 Other Current Assets</b>		
<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
(a) Long Term trade receivables		
Secured Considered Good		
Unsecured Considered Good		
Doubtful		-
(b) Unamortised expenses		
(i) Share issue expenses		-
(ii) Membership Fees	-	4,60,000
(c) Other Non Current Assets		
(i) Term Deposits having maturity of more than 12 Months	6,68,473	1,37,494
<b>Total</b>	<b>6,68,473</b>	<b>5,97,494</b>



## Notes forming part of the financial statements

## Note 18 Revenue from operations

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Sale of products (Refer Note (i) below)	45,68,25,401	43,48,29,843
(b)	Sale of Service (Refer Note (ii) below)	59,021	25,245
(c)	Other Operating revenue (Refer Note (iii) below)	1,320	4,03,585
	<b>Total</b>	<b>45,68,85,742</b>	<b>43,52,58,673</b>

Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i)	<b>Sale of products comprises :</b>		
	<b>a). Traded Goods</b>		
	Fabrics	1,12,35,290	7,16,967
	Ladies Garments	13,05,54,218	12,80,18,494
	N 95 Mask	26,92,525	
	Masks, PPE KIT & other covid -19 equipments	6,24,615	
	Consumables and others	8,32,438	1,54,876
		<b>14,59,39,086</b>	<b>12,88,90,336</b>
	<b>b). Manufacture Goods</b>		
	Ladies Garments	30,29,67,440	30,59,39,506
	Masks, PPE KIT & other covid -19 equipments	62,39,288	
	N 95 Mask	15,06,863	
	Scrap	1,72,725	
		<b>31,08,86,315</b>	<b>30,59,39,506</b>
	<b>Total - Sale of traded goods</b>	<b>45,68,25,401</b>	<b>43,48,29,843</b>
(ii)	<b>Sale of Service comprises :</b>		
	Job Charges received	59,021	25,245
	<b>Total - Sale of Service</b>	<b>59,021</b>	<b>25,245</b>
(iii)	<b>Other operating revenues comprise:</b>		
	Refund of Duties		3,71,682
	Discount received		1,291
	Other Miscellaneous Income	1,320	30,612
	<b>Total - Other operating revenues</b>	<b>1,320</b>	<b>4,03,585</b>

## Notes forming part of the financial statements

## Note 19 Other income

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		-	-
(a)	Interest income (refer note (i) below)	2,64,892	2,36,428
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	37,97,563	19,04,257
	<b>Total</b>	<b>40,62,455</b>	<b>21,40,685</b>

Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		-	-
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits	76,603	9,846
	other balances		
	Interest on loans and advances	1,88,289	2,26,582
	<b>Total - Interest income</b>	<b>2,64,892</b>	<b>2,36,428</b>

Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		-	-
(ii)	Other non-operating income comprises:		
	Rate Difference		19,750
	Postage & Courier	13,34,957	14,95,712
	Other Income	15,706	3,88,795
	Inspection Income	24,46,900	-
	<b>Total - Other non-operating income</b>	<b>37,97,563</b>	<b>19,04,257</b>

## Notes forming part of the financial statements

## Note 20.a Cost of materials consumed

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	-	-
Opening stock	33,18,919	1,03,40,205
Add: Purchases	7,31,75,245	7,49,78,146
Less: Closing stock	85,57,114	33,18,919
<b>Cost of Material Consumed</b>	<b>6,79,37,050</b>	<b>8,19,99,432</b>

<b>Material consumed comprises:</b>		
Fabric	16,80,812	1,19,49,979
Running Cotton	6,26,46,955	7,00,49,453
Legging fabric	9,773	-
P.P. NON WOVEN FABRIC	35,99,510	-
<b>Total</b>	<b>6,79,37,050</b>	<b>8,19,99,432</b>

<b>Note 20.b Purchase of traded goods</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
<b>Traded goods</b>		
Fabrics	1,30,61,835	6,53,897
Garments	7,69,29,943	10,86,81,397
PPE KIT / Materail	33,51,571	-
Mask	1,21,910	-
N95 Mask	26,92,525	-
Other Miscellaneous item	2,99,924	8,91,031
<b>Total</b>	<b>9,64,57,708</b>	<b>11,02,26,325</b>
<b>Note 20.c Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
<b>A. Inventories at the end of the year: ( As verified and certified by the management)</b>		
Stock of Finished Goods	12,92,63,970	15,17,87,884.62
<b>Total A</b>	<b>12,92,63,970</b>	<b>15,17,87,885</b>
<b>Inventories at the beginning of the year:</b>		
Stock of Finished Goods	15,17,87,885	9,85,84,386
<b>Total B</b>	<b>15,17,87,885</b>	<b>9,85,84,386</b>
<b>Net (increase) / decrease</b>	<b>2,25,23,915</b>	<b>(5,32,03,499)</b>

**Notes forming part of the financial statements****Note 21 Employee benefits expense**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Salary to Employees	98,91,525	1,41,55,615
Contribution to ESI and Provident Fund	3,16,640	3,32,936
Directors Remuneration	45,00,000	28,80,000
Gratuity Expenses	2,01,483	2,25,616
<b>Total</b>	<b>1,49,09,648</b>	<b>1,75,94,167</b>

**Note 22 Finance costs**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Interest expense on:		
(i) Borrowings	1,12,16,869	1,17,10,914
(ii) Trade payables	-	-
(iii) Others	-	-
Loan Processing Fees	2,95,651	10,67,433
(b) Other borrowing costs		
(i) Bank Charges	3,32,513	1,19,881
<b>Total</b>	<b>1,18,45,033</b>	<b>1,28,98,228</b>

Notes forming part of the financial statements		
Note 23 Other expenses		
Particulars	For the year ended 31 March,	For the year ended 31 March,
<b>DIRECT EXPENSES</b>		
Consumables	19,39,643	36,12,562
Job Work & Sticking Charges	4,15,70,601	6,49,62,365
Kurti Stickers	7,55,771	21,27,408
Factory Rent	33,29,000	33,54,000
Packing Material	10,82,174	12,99,598
Power & Fuel	13,56,377	13,98,185
Discount on online Sale	59,99,580	71,07,031
Wages	99,00,179	11,58,572
<b>Total</b>	<b>6,59,33,325</b>	<b>8,50,19,721</b>
<b>INDIRECT EXPENSES</b>		
Business Promotion	5,21,974	2,96,442
Advertisement	1,46,82,943	1,75,46,187
Commission & Brokerage	11,10,11,334	12,57,87,324
Donation	24,000	40,200
Export Charges	-	6,65,499
Legal and Professional Exp.	10,81,213	17,06,700
Membership & Subscription	39,300	29,456
Miscellaneous expenses *	1,46,312	26,935
NSE Listing Fees	12,500	85,000
Office Expenses	1,58,377	10,90,294
Rent Expenses	23,14,552	28,04,037
Penalty & Interest	3,05,091	7,17,990
Payments to auditors (Refer Note (i) below)	3,92,000	3,75,242
Photo Shoot Exp.	9,95,683	7,59,775
Postage and Courier Expenses	15,14,617	16,47,187
ISI Mark registration fees	59,000	-
Printing and Stationery Expenses	2,32,423	6,36,363
Repair & Maintenance	9,88,375	5,61,282
Prior Period Expenses	32,427	26,373
Security Guard Expenses	2,93,750	4,38,133
Sweeper and Cleaning charges	4,14,355	-
Shipping and handling Charges	61,92,241	85,51,832
Amazon disposal	74,41,044	-
Staff & Labour Welfare expenses	2,31,078	3,67,986
Food Expense at Club	9,001	19,545
Travelling Expenses	2,70,764	3,99,421
Website Charges	2,96,650	7,16,800
Payment Gateway Charges	2,04,344	57,443
Market making Charges	3,00,000	3,00,000
Turnover Incentive	-	1,07,439
Insurance Exp	5,97,241	4,65,869
Software Exp	4,01,756	5,69,254
Sampling Exp	-	80,995
Goodwill Expenses	43,074	-
Telephone and Mobile Expenses	3,41,792	3,45,985
Lab Testing	2,40,820	-
GST reversed / Surrendered	7,44,463	-
Tendor Fees	1,05,192	-
Technical Support Charges	7,11,524	9,95,659
<b>Total</b>	<b>15,33,51,209</b>	<b>16,82,18,647</b>
<b>Grand Total</b>	<b>21,92,84,535</b>	<b>25,32,38,368</b>



Notes forming part of the financial statements		
Notes: (i) Payment to Auditor		
Particulars	For the year	For the year
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	3,30,000	3,00,000
As auditors- Secretarial Audit	50,000	40,000
As auditors - other	12,000	12,000
ROC Return Filing Charges	-	23,242
<b>Total</b>	<b>3,92,000</b>	<b>3,75,242</b>
Note 24 Exceptional items		
Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Exceptional items		
Jaipur Club Membership	4,60,000	4,60,000
<b>Total</b>	<b>4,60,000</b>	<b>4,60,000</b>

Notes forming part of the financial statements			
Note 25 Additional information to the financial statements			
Note	Particulars		
25.1	The Schedule III has effective from 1st April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.		
25.2	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
		<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	-	-
	1.The Income Tax Department has raised demands in regards to tax deducted at source for non compliances to the provision of the act that has been verified from TRACES are as follows:		
	Financial Year                      Amount		
	2018-19                              1,480.00	-	
	2016-17                              1,200.00	-	
	2015-16                              2,750.00	-	
	Prior Period                        39,960.00	-	45,390.00

(ii)	2.The Commercial Tax Department raised demand of Rs.32,07,960/- for the FY 2017-18 for non submission of Statutory Forms Like C -form etc. The management of the company is taking necessary steps for collection of C-Forms from the parties and to Submit the forms with in time to dispose the demand.The demand is setteled in full in F.Y.2020-	-	32,07,960.00
	(b) Guarantees		
	1.The Axis Bank Limited, Civil Lines, Jaipur issued Bank Guarantee to The Assessing Authority , Excise and Taxation Department Guargon (Hariyana) of Rs. 1,00,000/- valid upto 14.12.2020 secured against the FDR of Rs. 1,00,000/-It is further renew in F.Y.2020-21 for Rs. 1,47,270.	1,47,270.00	1,00,000.00
	(c) Other money for which the Company is contingently liable (give details)	NA	NA
	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>	
	Commitments	-	-
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NA	NA
	Tangible assets	NA	NA
	Intangible assets	NA	NA
	(b) Uncalled liability on shares and other investments partly	NA	NA
	(c) Other commitments (specify nature)	NA	NA
25.3	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
	<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,10,44,387	4,11,45,917
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	-	-
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
25.4	<b>Value of imports calculated on CIF basis @:</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
		-	-
	Raw materials		
	Components		
	Spare parts		
	Total Components and spare parts		
	Capital goods		
25.5	<b>Expenditure in foreign currency #:</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
		-	-
	Royalty		
	Know-how		
	Professional and consultation fees		
	Interest		
	Other matters		
25.6	<b>Details of consumption of imported and indigenous items *</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
		-	-
	<u>Imported</u>		
	Raw materials	-	-
	Components	-	-
	Spare parts	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

	<u>Indigenous</u>	As at 31 March, 2021	As at 31 March, 2020
		-	-
	Raw materials	6,79,37,050	8,19,99,432
	Components	-	-
	Spare parts	-	-
	<b>Total</b>	<b>6,79,37,050</b>	<b>8,19,99,432</b>
25.7	<b>Earnings in foreign exchange :</b>	As at 31 March, 2021	As at 31 March, 2020
		-	-
	Export of goods calculated on FOB basis		
	Royalty, know-how, professional and consultation fees		
	Interest and dividend		
25.8	Other income, indicating the nature thereof.		
	<b>Amounts remitted in foreign currency during the year on account of dividend ##</b>	As at 31 March, 2021	As at 31 March, 2020
		-	-
	Amount of dividend remitted in foreign currency		
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)		
25.9	Total number of shares held by them on which dividend was due		
	Year to which the dividend relates		
	<b>Earnings per share</b>		
	<u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year attributable to the equity	1,78,00,634	74,16,198
	Weighted average number of equity shares	82,78,334	82,78,334
	Par value per share	10.00	10.00
	Earnings per share - Basic & diluted	2.15	0.90
	<b>Restated Earnings per share</b>		
	<u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year attributable to the equity	1,78,00,634	74,16,198
	Weighted average number of equity shares	82,78,334	82,78,334
	Par value per share	10.00	10.00
	Earnings per share - Basic & diluted	2.15	0.90
Note	<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
25.10	<b>Deferred Tax (Liability)/asset</b>		
	<u><b>Tax effect of items constituting deferred tax liability</b></u>		
	On difference between book balances and tax balance of fixed assets	-	-
	Tax effect of items constituting deferred tax liability	-	-
	<u><b>Tax effect of items constituting deferred tax assets</b></u>		
	On difference between book balances and tax balance of fixed assets	27,82,941	26,87,415
	Tax effect of items constituting deferred tax assets.	7,00,411	6,76,369
	Net deferred tax (liability)/asset	7,00,411	6,76,369

## Notes forming part of the financial statements

## Note 25 Disclosures under Accounting Standards (contd.)

Note 25 Disclosures under Accounting Standards (contd.)

Note	Particulars				
25.11	Related party transactions				
25.11a	Details of related parties:				
	Description of relationship	Names of related parties			
	Key Management Personnel (KMP)	Mr. Anuj Mundra, Mrs Vandna Mundra and Mrs Sunita Devi Mundhra, Dwarka Das Mundra and Gunjan Jain			
	Relatives of KMP	-			
	Company in which KMP / Relatives of KMP can exercise significant influence	Desi Fusion India Private Limited			
	Note: Related parties have been identified by the Management.				
	Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:				
25.11b		KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Purchase of goods			10,60,32,166	10,60,32,166
	Receiving of services			1,01,03,614	1,01,03,614
	Sale of Goods			9,89,168	9,89,168
	Maintainnce Charges Paid				-
	Transfer of research and development				-
	Renumeration to Directors	45,00,000			45,00,000
	Rent Paid	6,30,000		-	6,30,000
	Interest Paid	19,80,799			19,80,799
	Interest Received	-		1,88,289	1,88,289
	Finance (including loans and equity contributions in cash or in kind)	1,50,15,240		-	1,50,15,240
	Salary Paid	7,11,850			7,11,850
	Management contracts including for deputation of employees				
	Provision for doubtful receivables, loans and advances				
	Write off / write back made during the year				
	<u>Balances outstanding at the end of the year</u>				
	Trade receivables				-
	Loans and advances	50,000		62,77,919	63,27,919
	Trade payables				-
	Borrowings	25,73,906		-	25,73,906
	Provision for doubtful receivables, loans and advances				-

# INDEPENDENT AUDITORS' REPORT

## (REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS)

To  
The Members of  
NANDANI CREATION LIMITED  
Jaipur

### Opinion

We have audited the consolidated financial statements of NANDANI CREATION LIMITED ("hereinafter referred to as the 'Holding Company'), and its subsidiary (the holding company and its subsidiary together referred as "the Group") which comprise the consolidated Balance Sheet as at 31 March 2021 and the consolidated statement of Profit and Loss and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 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 company as at March 31, 2021 and its consolidated profit and its consolidated cash flows for the year ended on that date.

### BASIS OF OPINION

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

### KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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. We have not observed anything which falls under this.

### RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated financial statement in terms of requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows 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 are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group is responsible for assessing the ability of Group to continue as going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

#### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of



doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1.The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable on consolidated financial statements of the company, hence no reporting is made on clauses as specified in paragraph 3 and 4 of the said order.

2.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 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 statement have been kept so far as appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of Holding Company as on 31 March, 2021, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditor of subsidiary company incorporated in India none of the directors of Group is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act;In our opinion and to the best of our

information and according to the explanations given to us, by Holding company and reports of the statutory auditor of subsidiary company incorporated in India, the remuneration paid/provided by the Holding Company and its subsidiary

company incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the group
  - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the group

**FOR ASHOK HOLANI AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN: 009840C**

**Sd/-**  
**RAHUL JANGIR**  
**PARTNER**  
**M NO.: 435804**  
**UDIN-**

**PLACE: JAIPUR**  
**DATE: 30.06.2021**

**ANNEXURE A REFERRED TO IN PARAGRAPH 8(G) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF NANDANI CREATION LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2021.**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **NANDANI CREATION LIMITED**. ("The Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**AUDITORS' RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal

the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

control over financial reporting criteria established by the Company considering the essential components of internal control stated in

**DATE: 30.06.2021**

**PLACE: JAIPUR**

**FOR ASHOK HOLANI AND COMPANY**

**CHARTERED ACCOUNTANTS**

**FRN: 009840C**

**Sd/-**

**RAHUL JANGIR**

**PARTNER**

**M NO.: 435804**

**UDIN-21435804AAAADM9920**

**Note No.1** to the Consolidated financial Statements for the Year ending on 31<sup>st</sup> March 2021.

### **1. Corporate information**

The company is engaged in the business/dealership (buying & selling) of fabric. The company registered office is situated at G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur.

### **2. Significant accounting policies**

#### **2.1 Basis of accounting and preparation of financial statements**

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### **2.2 Use of estimates**

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### **2.3 Inventories**

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Finished goods include appropriate proportion of overhead.

#### **2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.5 Depreciation and amortization**

Depreciation has been provided on the basis of useful life method of the assets as per the Companies Act, 2013.

#### **2.6 Revenue recognition**

##### **Sale of goods**

Revenue has been considered as per AS 9- Revenue Recognition issued by Institute of Chartered Accountants of India. During the year company has changed its accounting policy in regard recognition of sales revenue in the books of accounts. Earlier sales turnover is

recorded in books of accounts on gross basis and discount given after sales is recorded as indirect expenses separately in profit and loss account. During the current year revenue is recognized net of after sales discount.

#### **2.7 Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

#### **2.8 Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. The excise duty paid on fixed assets acquired is deducted from the cost of the assets and credit is availed from the excise duty payable on the sale of goods thereon. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### **2.9 Borrowing costs**

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### **2.10 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding

shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### **2.11 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing

**DATE: 30.06.2021**

**PLACE: JAIPUR**

differences. Deferred tax assets in respect of unabsorbed

depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability

Current and deferred tax relating to items directly recognized in equity are recognised in equity and not in the Consolidated Statement of Profit and Loss.

#### **2.12 Employees Retirement Benefits**

Gratuity is accounted for on the basis of actuarial valuation as per the requirement of Accounting Standard -15 Employee Benefits.

**FOR ASHOK HOLANI AND COMPANY**

**CHARTERED ACCOUNTANTS**

**FRN: 009840C**

**Sd/-**

**RAHUL JANGIR**

**PARTNER**

**M NO.: 435804**

**UDIN-21435804AAAADM9920**

NANDANI CREATION LIMITED	
Note 1 forming part of the consolidated financial statements	
Note	Particulars
1	<b>Corporate information</b>
	The company is engaged in the business/dealership (buying & selling) of fabric. The company registered office is situated at <b>G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur.</b>
2	<b>Significant accounting policies</b>
2.1	<b>Basis of accounting and preparation of financial statements</b> The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.
2.2	<b>Use of estimates</b> The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	<b>Inventories</b> Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Finished goods include appropriate proportion of
2.4	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b> Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



2.5	<p><b>Depreciation and amortisation</b></p> <p>Depreciation has been provided on the basis of useful life method of the assets as per the Companies Act, 2013.</p>
2.6	<p><b>Revenue recognition</b></p> <p><u>Sale of goods</u></p> <p>Revenue has been considered as per AS 9- Revenue Recognition issued by Institute of Chartered Accountants of India. During the year company has changed its accounting policy in regard recognition of sales revenue in the books of accounts. Earlier sales turnover is recorded in books of accounts on gross basis and discount given after sales is recorded as indirect expenses separately in profit and loss account. During the current year revenue is recognized net of after sales discount.</p>
2.7	<p><b>Other income</b></p> <p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>
2.8	<p><b>Tangible fixed assets</b></p> <p>Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. The excise duty paid on fixed assets acquired is deducted from the cost of the assets and credit is availed from the excise duty payable on the sale of goods thereon. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p>
2.9	<p><b>Borrowing costs</b></p> <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>

2.10	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.11	<p><b>Taxes on income</b></p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Consolidated Statement of Profit and Loss.</p>
2.12	<p><b>Employees Retirement Benefits</b></p> <p>Gratuity is accounted for on the basis of actuarial valuation as per the requirement of Accounting Standard -15 Employee Benefits.</p>

NANDANI CREATION LIMITED						
CIN: L18101RJ2012PLC037976						
Balance Sheet as at 31 March, 2021						
Consolidated Financial Statement of Nandani Creation Limited						
Particulars	Note No.		As at 31 March, 2021		As at 31 March, 2020	
<b>A EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' funds</b>						
(a) Share capital	2	100,339,500		82,339,500		
(b) Reserves and surplus	3	53,332,582	153,672,082	21,418,721		103,758,221
<b>2 Minority Interest</b>	4	928	928	804		804
<b>3 Non-current liabilities</b>						
(a) Long-term borrowings	5	22,160,980		52,797,388		
(b) Other long-term liabilities	6	1,240,054	23,401,034	1,843,325		54,640,713
<b>4 Current liabilities</b>						
(a) Short-term borrowings	7	25,971,366		22,487,606		
(b) Trade payables	8	104,120,114		134,074,605		
(c) Other current liabilities	9	27,763,812		29,607,150		
(d) Short-term provisions	10	3,386,097	161,241,388	4,723,823		190,893,183
<b>TOTAL</b>			<b>338,315,432</b>			<b>349,292,921</b>
<b>B ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Property, Plant and Equipment	11					
(i) Tangible assets		12,046,818		11,446,252		
(ii) Intangible assets		459,088		542,493		
(iii) Capital work-in-progress	11A	2,776,148		2,722,516		
(iv) Intangible assets under development						
(v) Fixed assets held for sale		15,282,053		14,711,260		
(b) Non current investment	12	1,863,096		2,080,646		
(c) Deferred tax assets (net)	27.10	803,211		779,273		
(d) Long-term loans and advances	13	3,918,883		2,551,380		
(e) Other non-current assets	14	-	21,867,244	39,636		20,162,196
<b>2 Current assets</b>						
(a) Current investments						
(b) Inventories	15	221,954,014		232,605,177		
(c) Trade receivables	16	66,014,971		74,511,170		
(d) Cash and cash equivalents	17	1,395,511		1,151,897		
(e) Short-term loans and advances	18	25,105,880		20,264,987		
(f) Other Current Assets	19	1,977,812	316,448,188	597,494		329,130,725
<b>TOTAL</b>			<b>338,315,432</b>			<b>349,292,921</b>
The accompanying notes 1 to 27 are an integral part of the financial statements						

IN TERMS OF OUR REPORT OF EVEN DATE  
FOR ASHOK HOLANI & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
RAHUL JANGIR  
PARTNER  
M.No. 435804

DATE: 30.06.2021  
PLACE: JAIPUR  
UDIN:21435804AAAADS5490

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF NANDANI CREATION LIMITED

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
DWARKA DASS MUNDHRA  
CHIEF FINANCIAL OFFICER

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

Sd/-  
GUNJAN JAIN  
COMPANY SECRETARY

**NANDANI CREATION LIMITED**

CIN: L18101RJ2012PLC037976

**Statement of Profit and Loss for the year ended 31st March, 2021**
**Consolidated Financial Statement of Nandani Creation Limited**

Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Gross Income</b>			
Revenue from operations (gross)	20	478,094,500	468,710,408
Less: Excise duty		-	-
Revenue from operations (net)		478,094,500	468,710,408
Other income	21	4,557,529	2,227,827
<b>Total revenue</b>		<b>482,652,029</b>	<b>470,938,236</b>
<b>Expenses</b>			
Cost of materials consumed	22(a)	41,243,176	84,984,327
Purchases of stock-in-trade	22(b)	180,201,055	111,870,844
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22(c)	(26,838,398)	(39,271,339)
Employee benefits expense	23	20,550,136	30,542,058
Finance costs	24	14,183,519	16,141,772
Depreciation and amortisation expense	11	3,637,957	3,838,142
Other expenses	25	223,367,303	249,051,237
<b>Total expenses</b>		<b>456,344,748</b>	<b>457,157,041</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		26,307,281	13,781,195
Exceptional items	26	499,636	1,201,004
<b>Profit / (Loss) before tax</b>		25,807,645	12,580,192
<b>Tax expense:</b>			
(a) Current tax expense for current year		6,770,457	4,096,541
(b) Tax Expenses previous year		18,649	158,193
(b) Deferred tax		(23,937)	(196,736)
<b>Profit / (Loss) before share of profit of minority interest</b>		<b>19,042,476</b>	<b>8,522,193</b>
<b>Less: Minority Interest ( 0.01%)</b>		124	111
<b>Profit / (Loss) after share of profit of minority interest</b>		<b>19,042,352</b>	<b>8,522,082</b>
<b>Earnings per share ( Face Value of Rs.10/-each):</b>	27.9		
(a) Basic		2.30	1.14
(b) Diluted		2.30	1.14
<b>Restated Earnings per share ( Face Value of Rs.10/-each):</b>	27.9		
(a) Basic		2.30	1.14
(b) Diluted		2.30	1.14
The accompanying notes 1 to 27 are an integral part of the financial statements			

IN TERMS OF OUR REPORT OF EVEN DATE

FOR ASHOK HOLANI & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
RAHUL JANGIR  
PARTNER  
M.No. 435804

DATE: 30.06.2021  
PLACE: JAIPUR  
UDIN:21435804AAAADS5490

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF NANDANI CREATION LIMITED

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
DWARKA DASS MUNDHRA  
CHIEF FINANCIAL OFFICER

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

Sd/-  
GUNJAN JAIN  
COMPANY SECRETARY

NANDANI CREATION LIMITED		
CIN: L18101RJ2012PLC037976		
Cash Flow Statement for the year ended 31 March, 2021		
Particulars	For The Year Ended 31st March, 2021	For The Year Ended 31st March, 2020
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	25,807,645	12,580,192
<b>Adjustments for:</b>		
Depreciation and amortisation	3,637,957	3,838,142
(Profit) / loss on sale / write off of assets	(57,000)	701,368
Finance costs	14,183,519	16,141,772
Reversal of Provision of Gratuity as per actuarial calculation	271,509	
Operating profit / (loss) before working capital changes	43,843,629	33,261,473
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Current Investment	-	-
Inventories	10,651,163	(57,618,606)
Trade receivables	8,496,200	(3,494,451)
Short-term loans and advances	(4,840,893)	(10,315,379)
Other Non Current Assets	39,636	39,636
Other Current assets	(1,380,318)	450,154
	12,965,787	(70,938,646)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(29,954,491)	55,160,736
Other current liabilities	(1,843,338)	(1,969,574)
Short-term provisions	(1,337,726)	(608,131)
	(33,135,555)	52,583,031
Cash generated from operations	23,673,862	14,905,858
Net income tax (paid) / refunds	(6,789,106)	(4,254,734)
<b>Net cash flow from operating activities (A)</b>	<b>16,884,756</b>	<b>10,651,124</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(4,276,751)	(2,625,584)
Investment sold	217,550	-
Proceeds from sale of Fixed Assets	125,000	
Long - Term Loans & Advances	(1,367,503)	(685,488)
	(5,301,704)	(3,311,072)
<b>Net cash flow used in investing activities (B)</b>	<b>(5,301,704)</b>	<b>(3,311,072)</b>
<b>C. Cash flow from financing activities</b>		
Increase in long-term borrowings	(30,636,409)	6,650,784
Proceeds from Issue of Share Capital	18,000,000	8,600,000
Increase in securities Premium	12,600,000	
Increase in Other long-term Liability	(603,271)	563,037
Net (increase) / decrease in working capital borrowings	3,483,760	(8,115,837)
Finance cost	(14,183,519)	(16,141,772)
<b>Net cash flow used in financing activities (C)</b>	<b>(11,339,438)</b>	<b>(8,443,787)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A-B-C)</b>	<b>243,614</b>	<b>(1,103,736)</b>
Cash and cash equivalents at the beginning of the year	1,151,897	2,255,633
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
<b>Cash and cash equivalents at the end of the year</b>	<b>1,395,511</b>	<b>1,151,897</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	1,395,511	1,151,897
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	1,395,511	1,151,897
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer		
<b>Cash and cash equivalents at the end of the year *</b>	<b>1,395,511</b>	<b>1,151,897</b>

* Comprises:		
(a) Cash on hand	820,952	798,967
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	574,559	352,929
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		
(d) Others (specify nature)		
Deposits		
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)		
Notes:		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
See accompanying notes forming part of the financial statements		

IN TERMS OF OUR REPORT OF EVEN DATE  
FOR ASHOK HOLANI & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
RAHUL JANGIR  
PARTNER  
M.No. 435804

DATE: 30.06.2021  
PLACE: JAIPUR  
UDIN:21435804AAAADS5490

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
OF NANDANI CREATION LIMITED

Sd/-  
ANUJ MUNDHRA  
MANAGING DIRECTOR  
DIN: 05202504

Sd/-  
DWARKA DASS MUNDHRA  
CHIEF FINANCIAL OFFICER

Sd/-  
VANDANA MUNDHRA  
WHOLE-TIME DIRECTOR  
DIN: 05202403

Sd/-  
GUNJAN JAIN  
COMPANY SECRETARY



**Notes forming part of the consolidated financial statements**
**Note 2 Share capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
(a) Authorised Equity shares of Rs.10/- each with voting rights	11,000,000	110,000,000	11,000,000	110,000,000
(b) Issued Equity shares of ` Rs.10/- each with voting rights	10,033,950	100,339,500	8,233,950	82,339,500
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	10,033,950	100,339,500	8,233,950	82,339,500
	10,033,950	100,339,500	8,233,950	82,339,500
<b>Total</b>	<b>10,033,950</b>	<b>100,339,500</b>	<b>8,233,950</b>	<b>82,339,500</b>

Refer Notes (1) to (4) below

Note (1) Reconciliation of of number of Equity Share outstanding

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
As at the beginning of the year	8,233,950	82,339,500	2,949,580	29,495,800
Add : Shares issued through allotment Bonus	-	-	4,424,370	44,243,700
Add : Share issued through Preferential allotment	1,800,000	18,000,000	860,000	8,600,000
As at the end of the year	10,033,950	100,339,500	8,233,950	82,339,500
<b>As at the end of the year</b>	<b>10,033,950</b>	<b>100,339,500</b>	<b>8,233,950</b>	<b>82,339,500</b>

Note (2) Shareholders holding more than 5% of the Equity share in the company

Name of the ShareHolders	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
<b>Nandani Creation Limited</b>				
Mr. Anuj Mundra	3,722,225	37.10%	3,022,225	36.70%
Mrs. Vandna Mundra	1,976,975	19.70%	1,426,975	17.33%
Sunita devi Mundhra	1,197,250	11.93%	647,250	7.86%
Maverick Share Brokers Limited	-		725,000	8.81%
	<b>6,896,450</b>	<b>68.73%</b>	<b>5,821,450</b>	<b>70.70%</b>

Note (3) Rights, preferences and restrictions attached to the equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

Note (4) Issue through Prefrencial allotment

The company has issued and allotted 8,60,000 equity share as prefrencial share on 23.03.2021 by conversion of unsecured loan taken from its directors.

**Notes forming part of the consolidated financial statements**
**Note 3 Reserves and surplus**

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>(i) Surplus / (Deficit) in Statement of Profit and Loss</b>		
As per previous year balance sheet	20,918,721	26,563,255
Add: Profit / (Loss) for the year	19,042,352	8,022,082
Add: Reversal of Gratuity Provision	271,509	
Less: Bonus Issued	-	(13,666,617)
<b>Closing balance</b>	<b>40,232,582</b>	<b>20,918,721</b>
<b>(ii) General Reserve</b>		
As per previous year balance sheet	500,000	500,000
Add: Transferred from Profit & Loss account	-	500,000
Less: Bonus share issued during the year	-	500,000
<b>Closing balance</b>	<b>500,000</b>	<b>500,000</b>
<b>(iii) Security Premium</b>		
As per previous year balance sheet	-	30,077,082
Add: Proceed Received from Issue of share	12,600,000	
Less: Bonus Issued	-	30,077,082
<b>Closing balance</b>	<b>12,600,000</b>	
<b>Total</b>	<b>53,332,582</b>	<b>21,418,721</b>

**Note 4 Minority Interest**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Equity attributable to minority interest Shareholders of Desi Fusion India Pvt Ltd	804	693
Share in profit to minority interest shareholders of Desi Fusion India Pvt Ltd	124	111
<b>Total</b>	<b>928</b>	<b>804</b>

Notes forming part of the consolidated financial statements

Note 5 Long-term borrowings

Particulars	Non current Portion	Current Maturities	Non current Portion	Current Maturities
	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2020
<b>A. Term loans</b>				
<b>From banks</b>				
a. Secured				
1. HDFC Bank	-	48,398	23,110	263,047
2. Axis Bank	198,112	87,529	-	-
3) Axis Bank Limited	1,743,869	574,200	265,478	81,289
4) BOI CGTMSE	2,832,982	967,017	-	-
<b>b. From NBFC and</b>	12,504,017	25,000,065	20,735,965	27,991,856
	<b>17,278,980</b>	<b>26,677,210</b>	<b>21,024,553</b>	<b>28,336,192</b>
<b>B. Loans and advances from related parties</b>				
<b>Unsecured Loan (Refer note no. 27.10,</b>				
Unsecured				
1.) Anuj Mundra	1,150,631	-	12,021,447	-
2.) Sunita Devi	856,595	-	3,420,656	-
3.) Vandana	689,656	-	5,812,178	-
4.) Dwarka Das Mundra	185,118	-	4,735,054	-
	<b>2,882,000</b>	<b>-</b>	<b>25,989,335</b>	<b>-</b>
<b>C. Loans and Advances From Other Parties</b>				
Unsecured				
Others	2,000,000	-	5,783,500	-
	<b>2,000,000</b>	<b>-</b>	<b>5,783,500</b>	<b>-</b>
<b>Total</b>	<b>22,160,980</b>	<b>26,677,210</b>	<b>52,797,388</b>	<b>28,336,192</b>

Notes: 5.1

(ii) Details of Long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Loans repayable on demand from banks	43,956,189	49,360,745
Loans repayable on Loans and	2,000,000	5,783,500
Deposits	2,882,000	25,989,335
Other loans and	-	-
<b>Total</b>	<b>48,838,189</b>	<b>81,133,580</b>

Notes forming part of the consolidated financial statements		
Note 6 Other long-term liabilities		
Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Trade Payables: *		
(A) total outstanding dues of micro enterprises and small enterprises	8,378	8,378
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	9,306	542,551
(b) Others:		
(i) Trade / security deposits received		
(ii) Advances from customers		
(iii) Income received in advance (Unearned revenue)		
(iv) Gratuity Provision	1,222,370	1,292,396
<b>Total</b>	<b>1,240,054</b>	<b>1,843,325</b>

Notes forming part of the consolidated financial statements			
Note 7 Short-term borrowings			
Particulars	As at 31 March, 2021	As at 31 March, 2020	
(a) Loans repayable on demand			
From banks			
Secured	25,971,366	22,487,606	
Unsecured		-	
	25,971,366	22,487,606	
From other parties			
Secured		-	
Unsecured		-	
		-	
<b>Total</b>	<b>25,971,366</b>	<b>22,487,606</b>	
<b>Notes:</b>			
(i) Details of security for the secured short-term borrowings:			
Particulars	Nature of security	As at 31 March, 2021	As at 31 March, 2020
<u>Loans repayable on demand</u>			
<u>from banks:</u>			
a) Bank of India CC A/c	Secured by hypothecation of stock & debtors of the company and personnel guarantee of all the directors of the company. The loan is further secured by Government of India under CGTSME scheme. The Applicable rate of interest on CC limit is 8.60 %p.a. with monthly rest.	16,696,626	10,278,397
b) Axis Bank	The Cash Credit Limit is secured on HYP of all current assets of the Company and under the CGTSME Scheme. Further personal guarantee of Vandana Mundra, Anuj Mundra, Sunit Devi mundra and Dwarka Das Mundra. The Applicable rate of interest on CC limit is 11.60%p.a. (Repo +6.35% i.e. 10.35%)	9,274,740	12,209,209
<b>Total - from banks</b>		<b>25,971,366</b>	<b>22,487,606</b>

## Notes forming part of the consolidated financial statements

## Note 8 Trade payables

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Trade Payables: *		
(A) total outstanding dues of micro enterprises and small enterprises	38,822,776	47,508,931
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	65,297,338	86,565,674
<b>Total</b>	<b>104,120,114</b>	<b>134,074,605</b>

Note 8.1 "For the disclosure of the suppliers under the Micro, small and medium enterprises development Act, 2006 refer note no. 27.3

## Note 9 Other current liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Current maturities of long-term debt (Refer Note (i) below)	26,677,210	28,336,192
(b) Interest accrued but not due on borrowings	18,314	-
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	772,558	1,039,221
(ii) Payables on purchase of fixed assets		
(iii) Contractually reimbursable expenses		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Other Payables		
(viii) Advances from customers	295,730	231,736
<b>Total</b>	<b>27,763,812</b>	<b>29,607,150</b>

Note (i) For the Current Maturities of long term borrowings (refer note 5 and note 5.1 in Note 5- Long term borrowings for details of borrowings, guarantee and details of current maturities.

## Note 10 Short-term provisions

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Provision for employee benefits:		
(i) Provision for bonus		
(ii) Provision for provident Fund	49,842	30,911
(iii) Provision for ESI	20,679	8,762
(iv) Provision for post-employment medical benefits		
(v) Provision for other defined benefit plans		
(vi) Provision for other employee benefits		
	70,521	39,673
(b) Provision - Others:		
(i) Provision for Income tax (Tax Provision 40,96,541/- less advance tax and TDS of Rs. 12,13,032/-)	1,523,159	2,883,509
(ii) Provision - others		
Provision for Salary and wages	1,103,993	1,151,319
Provision for electricity	115,702	84,204
Provision for Expenses	194,722	220,118
Provision for audit fees	378,000	345,000
<b>Total</b>	<b>3,386,097</b>	<b>4,723,823</b>

Notes forming part of the consolidated financial statements											
Note 11 Property, Plant and Equipment											
A. Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		Net block as at 31 March, 2020
	Balance as at 1 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation / amortisation expense for the year	Depreciation on Disposal	Balance as at 31 March, 2021	Balance as at 31 March, 2021	Balance as at 31 March, 2021	
(c) Plant and Equipment											
Owned	6,418,761	3,988,100	148,705	10,258,155	2,534,135	1,201,934	80,705	3,655,365	6,602,791	3,884,625	
Taken under finance lease *											
Given under operating lease *											
(d) Furniture and Fixtures											
Owned	6,935,195	43,286		6,978,481	2,821,219	1,072,007		3,893,227	3,085,254	4,113,976	
Taken under finance lease *											
Given under operating lease *											
(e) Vehicles											
Owned	4,764,025	-		4,764,025	2,853,815	602,898		3,456,713	1,307,312	1,910,210	
Taken under finance lease *											
Given under operating lease *											
(f) Computer and Data Processing Unit											
Owned	1,986,830	68,729		2,055,560	1,740,048	121,028		1,861,077	194,483	246,782	
Given under operating lease *											
(g) Office equipment											
Owned	4,149,367	123,006		4,272,373	2,858,710	556,685		3,415,394	856,979	1,290,657	
Taken under finance lease *											
Given under operating lease *											
<b>Total</b>	<b>24,254,179</b>	<b>4,223,120</b>	<b>148,705</b>	<b>28,328,594</b>	<b>12,807,928</b>	<b>3,554,553</b>	<b>80,705</b>	<b>16,281,776</b>	<b>12,046,818</b>	<b>11,446,252</b>	
<b>Previous year</b>	<b>23,069,555</b>	<b>2,147,584</b>	<b>962,961</b>	<b>24,254,178</b>	<b>9,319,001</b>	<b>3,750,519</b>	<b>261,593</b>	<b>12,807,927</b>	<b>11,446,251</b>	<b>13,750,554</b>	
B. Intangible assets	Gross block				Accumulated depreciation and impairment				Net block		Net block as at 31 March, 2020
	Balance as at 1 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation / amortisation expense for the year	Depreciation on Disposal	Balance as at 31 March, 2021	Balance as at 31 March, 2021	Balance as at 31 March, 2021	
Goodwill	83,376	-		83,376	25,677	5,481		31,158	52,218	57,699	
Software	622,881			622,881	138,087	77,924		216,011	406,870	484,794	
<b>Total</b>	<b>706,257</b>	<b>-</b>	<b>-</b>	<b>706,257</b>	<b>163,764</b>	<b>83,405</b>	<b>-</b>	<b>247,169</b>	<b>459,088</b>	<b>542,493</b>	
<b>Previous Year</b>	<b>706,257</b>	<b>-</b>	<b>-</b>	<b>706,257</b>	<b>76,141</b>	<b>-</b>	<b>-</b>	<b>76,141</b>	<b>630,116</b>	<b>630,116</b>	
<b>Grand Total</b>	<b>24,960,435</b>	<b>4,223,120</b>	<b>148,705</b>	<b>29,034,851</b>	<b>12,971,692</b>	<b>3,637,959</b>	<b>80,705</b>	<b>16,528,946</b>	<b>12,505,906</b>	<b>11,988,744</b>	

Notes forming part of the consolidated financial statements						
Note 12 Non Current investments						
Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A. <u>Trade</u>						
(a) Investment in equity instruments	-					-
(b) Investment in preference shares			-			-
(c) Investment in debentures or bonds			-			-
<b>Total - Trade (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B. <u>Non-Trade Investments (At Cost)</u>						
(a) Investment in equity instruments (quoted)						
Raghav Productivity Limited ( 3200 Shares)	384,975	-	384,975	284,823	-	284,823
Jash Engineering Limited ( 6600 shares)	1,188,021	-	1,188,021	1,505,723	-	1,505,723
SGB Gold Bonds (Int @ 2.5% every half year)	-	290,100	290,100	-	290,100	290,100
(b) Investment in preference shares			-			-
(c) Investment in debentures or bonds						
<b>Total - Trade (B)</b>	<b>1,572,996</b>	<b>290,100.00</b>	<b>1,863,096</b>	<b>1,790,546</b>	<b>290,100</b>	<b>2,080,646</b>
C. <u>Other investments</u>						
(i) Of Related Parties			-			-
D. Other Non current investments						
<b>Total (A+B+C+D)</b>	<b>1,572,996</b>	<b>290,100.00</b>	<b>1,863,096</b>	<b>1,790,546</b>	<b>290,100</b>	<b>2,080,646</b>
Less: Provision for diminution in value of investments						
<b>Total</b>	<b>1,572,996</b>		<b>1,863,096</b>			<b>2,080,646</b>
Aggregate amount of quoted investments			1,572,996			1,790,546
Aggregate market value of listed and quoted investments			2,706,230			1,137,640
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments		-	-		-	



**Notes forming part of the consolidated financial statements****Note 11a Capital Work in Progress**

Particulars	As at 31 March 2021	As at 31 March 2020
Jaipur Landmark Private Limited	2,776,148	2,722,516
<b>Total</b>	<b>2,776,148</b>	<b>2,722,516</b>

**Note 13 Long term Loans and Advances**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(a) Security deposits</b>		
Unsecured, considered good	3,888,883	2,493,992
	3,888,883	2,493,992
Less: Provision for doubtful deposits		
	3,888,883	2,493,992
<b>(b) Balances with government authorities</b>		
Unsecured, considered good	30,000	57,388
<b>Total</b>	<b>3,918,883</b>	<b>2,551,380</b>

Note: 13.1 Long-term loans and advances include amounts due from:

Particulars	As at 31 March 2021	As at 31 March 2020
Directors *	50,000	50,000
Other officers of the Company *		
Firms in which any director is a partner (give details per firm)		
Private companies in which any director is a director or member		

Notes forming part of the consolidated financial statements

Note 14 Other non current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Long Term trade receivables		
Secured Considered Good		
Unsecured Considered Good		
Doubtful		
(b) Unamortised expenses		
(i) Company formation Expenses	-	39,636
(ii) Share issue expenses (where applicable)		
(iii) Discount on shares (where applicable)		
<b>Total</b>	<b>-</b>	<b>39,636</b>

Note 15 Inventories

(At cost )

Particulars	As at 31 March, 2021	As at 31 March, 2020
a). Raw Material	70,487,771	50,044,046
b). Finshed Goods	150,534,026	182,414,630
c).Stock of consumables and packing Material	932,217	146,500
<b>Total</b>	<b>221,954,014</b>	<b>232,605,177</b>

<b>Note 16 Trade receivables</b>		
<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	3,708,631	7,496,731
Unsecured, considered good	-	-
Doubtful	-	7,425,056
	3,708,631	14,921,787
Less: Provision for doubtful trade receivables		-
	3,708,631	14,921,787
Other Trade receivables		
Secured, considered good	62,306,339	59,589,383
Unsecured, considered good	-	-
Doubtful	-	-
	62,306,339	59,589,383
Less: Provision for doubtful trade receivables		-
	62,306,339	59,589,383
<b>Total</b>	<b>66,014,971</b>	<b>74,511,170</b>

Note 16.1: Trade receivables include debts due from:

<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
Directors *		-
Relative of Directors		-
Proprietorship Firm of Relative of Director	2,583,249	-
Firms in which any director is a partner		-
Private Company which is subsidiary company	-	-
	2,583,249	-

**Notes forming part of the consolidated financial statements**

**Note 17 Cash and cash equivalents**

<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
(a) Cash on hand	820,952	798,967
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	574,559	352,929
(ii) In EEFC accounts		
(iii) In Deposits Account		
(d) Others (specify nature)		
<b>Total</b>	<b>1,395,511</b>	<b>1,151,897</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	1,395,511	1,151,897

**Notes forming part of the consolidated financial statements**
**Note 18 Short-term loans and advances**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Loans and advances to related parties (Refer Note 27.11, 27.11a and 27.12b)	-	-
Less: Provision for doubtful loans and advances	-	-
(b) Security deposits Unsecured, considered good Less: Provision for doubtful deposits	-	-
(c) Loans and advances to employees Unsecured, considered good Doubtful Less: Provision for doubtful loans and advances	-	175,000
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	1,408,101	971,073
(e) Balances with government authorities Unsecured, considered good (i) CENVAT credit receivable (ii) Goods and Service Tax (iii) Goods and Service Tax (TCS Receivables)	226,754 21,076,625 615,665 21,919,044	226,754 16,377,250 902,425 17,506,428
(f) Others (Advance recoverable in cash or Kind) Unsecured, considered good Doubtful Less: Provision for other doubtful loans and advances	1,778,735 1,778,735	1,612,486 1,612,486
<b>Total</b>	<b>25,105,880</b>	<b>20,264,987</b>

Note: 18.1 Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Directors *	-	-
Relative of Director	-	-
From Subsidiary Company - Desi Fusion India Private Limited	-	-
	-	-

**Note 19 Other Current Assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Long Term trade receivables Secured Considered Good Unsecured Considered Good Doubtful		
(b) Unamortised expenses (i) Share issue expenses (ii) Membership Fees	-	- 460,000
(c) Other Non Current Assets (i) Term Deposits having maturity of more than 12 Months	1,977,812	137,494
<b>Total</b>	<b>1,977,812</b>	<b>597,494</b>

## Notes forming part of the consolidated financial statements

## Note 20 Revenue from operations

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Sale of products (Refer Note (i) below)	478,034,159	468,263,718
(b)	Sale of services (Refer Note (ii) below)	59,021	43,105
(c)	Other operating revenues (Refer Note (iii) below)	1,320	403,585
	<b>Total</b>	<b>478,094,500</b>	<b>468,710,408</b>

Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i)	<b>Sale of products comprises :</b>		
	<u>Traded goods</u>		
	Running Fabric	31,964,855	34,971,067
	Garments	130,664,198	126,262,286
	Masks, PPE KIT & other covid -19 equipments	339,277	-
	N95 Mask	2,692,525	-
	Consumable sale	832,438	154,876
	<u>Manufactured Goods</u>		
	Mask	654,550	-
	Masks, PPE KIT & other covid -19 equipments	6,239,288	-
	Garments	302,967,440	306,875,489
	Scrap	172,725	-
	N95 Mask	1,506,863	-
	<b>Total - Sale of traded goods</b>	<b>478,034,159</b>	<b>468,263,718</b>
(ii)	<b>Sale of services comprises :</b>		
	Job Work	59,021	43,105
	<b>Total - Sale of services</b>	<b>59,021</b>	<b>43,105</b>
(iii)	<b>Other operating revenues comprise:</b>		
	Duties Refund	-	371,682
	Other Miscellaneous income	1,320	30,612
	Discount Received	-	1,291
	<b>Total - Other operating revenues</b>	<b>1,320</b>	<b>403,585</b>

## Notes forming part of the consolidated financial statements

## Note 21 Other income

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Interest income (Refer Note (i) below)	140,754	9,846
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	4,416,775	2,217,981
	<b>Total</b>	<b>4,557,529</b>	<b>2,227,827</b>
Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits		
	FD/BG	64,151	-
	Interest Received On FD	76,603	9,846
	Interest on Tds refund		-
	<b>Total - Interest income</b>	<b>140,754</b>	<b>9,846</b>
Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(ii)	Other non-operating income comprises:		
	Postage and courier	1,334,957	1,509,396
	Other Income	15,706	388,795
	Misc credit written back	3,186	298,690
	Income Tax provision written off	-	1,304
	Dividend Income	8,400	-
	Commission Income	420,000	-
	Profit on Sale of Shares	130,626	-
	Profit on sale of fixed assets	57,000	-
	Inspection Income	2,446,900	-
	Rate Difference	-	19,750
	Round Off	-	47
	<b>Total - Other non-operating income</b>	<b>4,416,775</b>	<b>2,217,981</b>



**Notes forming part of the consolidated financial statements**
**Note 22.a Cost of materials consumed**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening stock	50,044,046	31,728,279
Add: Purchases	24,928,257	103,300,094
Less: Closing stock	11,584,025	50,044,046
Less: Sold During the year	22,145,102	-
<b>Cost of Material Consumed</b>	<b>41,243,176</b>	<b>84,984,327</b>
<b>Material consumed comprises:</b>		
Gray Fabric	19,207,415	12,533,303
Running Cotton	17,938,807	72,451,024
PPE Non Woven Fabric	4,087,182	-
Legging fabric	9,773	-
<b>Total</b>	<b>41,243,177</b>	<b>84,984,327</b>

**Note 22.b Purchase of traded goods**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Traded good</b>		
<b>Fabric</b>		
Running Cotton	109,997,885	28,074,641
Garments	66,983,614	83,796,203
PPE KIT / Materail	312,121	
Mask	250	
P. P. Non Woven Fabric	216,160	-
N95 Mask With Respirators	2,691,025	-
<b>Total</b>	<b>180,201,055</b>	<b>111,870,844</b>

**Note 22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<u>Inventories at the end of the year:</u>		
Finished Goods	209,253,028	182,414,631
		-
	209,253,028	182,414,631
<u>Inventories at the beginning of the year:</u>		
Finished Goods	182,414,631	143,143,292
	182,414,631	143,143,292
<b>Net (increase) / decrease</b>	<b>(26,838,398)</b>	<b>(39,271,339)</b>

**Note 23 Employee benefits expense**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Salaries and wages	14,569,407	25,615,181
Director Remuneration	5,124,000	3,504,000
Contribution to ESI and provident Fund	385,614	403,679
Gratuity	201,483	555,809
Staff welfare expenses	269,632	463,389
<b>Total</b>	<b>20,550,136</b>	<b>30,542,058</b>

**Note 24 Finance costs**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Interest expense on:		
(i) Borrowings	13,390,124	14,736,565
(ii) Trade payables		
(iii) Others		
(b) Loan Processing fees	295,651	1,067,433
(c) Bank Charges	497,743	337,774
<b>Total</b>	<b>14,183,519</b>	<b>16,141,772</b>

**Notes forming part of the consolidated financial statements**
**Note 25 other expenses**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>(A) Direct Exps.</b>		
Consumables	4,517,995	6,372,991
Freight & Cartage	935,643	1,458,153
Job Work & Sticking Charges	38,998,641	53,178,342
Kurti Stickers	755,771	2,127,408
Factory Rent	5,512,459	5,841,300
Packing Material	1,082,174	1,299,598
Power & Fuel	1,689,814	1,706,486
Sales Discount on online Sale	5,999,580	7,107,031
Wages	9,900,179	1,158,572
Wash and Dry Cleaning Charges	28,699	-
<b>Total</b>	<b>69,420,956</b>	<b>80,249,882</b>
<b>(B) Indirect Exps</b>		
Advertising Expenses	14,682,943	17,546,187
Amazon disposal	7,441,044	-
Commission and Brokrage	111,044,851	125,857,399
Rent Expenses	2,314,552	2,804,037
Payments to auditors	440,000	420,242
Insurance Expense	688,644	548,167
Business Promotion Expense	521,974	296,442
Donation	24,000	40,200
Duty drawback surrender	744,463	-
Penalty and Interest	359,203	738,834
Conveyance Expenses	15,194	20,146
Legal and Professional Expenses	1,132,630	1,823,400
Lab testing	240,820	-
Membership and Subscription	39,300	29,456
Miscellaneous expenses *	146,312	107,930
Food Expense at Club	9,001	19,545
Photo Shoot Expenses	995,683	759,775
Security Guard Expenses	520,000	571,050
Export Charges	-	665,499
Shipping Charges	6,192,241	8,551,832
Travelling Expenses	270,764	399,420
Website Server Charges	296,650	716,800
Office Expenses	223,197	1,285,235
Postage and Courier	1,592,102	1,647,187
Payment Gateway charges	204,344	57,443
Printing and Stationery	233,264	655,841
Prior Period Expenses	32,427	37,563
Repair and Maintenance	1,145,622	780,401
Technical Consultancy Fees	711,524	995,659
Market Making Charges	300,000	300,000
NSE Listing Fees	12,500	85,000
Telephone and Mobile Expenses	345,578	349,567
Tendor Fees	105,192	-
Gst Paid	-	14,404
ISI Mark registration fees	59,000	-
Software Exp	401,756	569,254
Sweeper and cleaning expense	414,355	-
Written off	2,144	-
Turnover Incentive	-	107,439
Goodwill Expense	43,074	-
<b>Total</b>	<b>153,946,347</b>	<b>168,801,355</b>
<b>Grand Total</b>	<b>223,367,303</b>	<b>249,051,237</b>

**Notes:25.1**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	363,000	330,000
As auditors- GST Audit	15,000	15,000
As auditors- Secretarial Audit	50,000	40,000
As auditors- Other	12,000	12,000
ROC Return Filing Charges	-	23,242
Reimbursement of expenses		
Total	440,000	420,242

**Note 26. Exceptional items**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Exceptional Item	499,636	1,201,004
Total	499,636	1,201,004

Notes forming part of the consolidated financial statements

Note 27 Additional information to the financial statements

Note	Particulars																
27.1	The Schedule III has become effective from 1 April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.																
27.2	Contingent liabilities and commitments (to the extent not provided for)																
	Particulars	As at 31 March, 2021	As at 31 March, 2020														
(i)	Contingent liabilities																
	(a) Claims against the Company not acknowledged as debt																
	1.The Income Tax Department has raised demands in regards to tax deducted at source for non compliances to the provision of the act that has been verified from TRACES are as follows:																
	<table><tr><td>Financial Year</td><td>Amount</td></tr><tr><td>2019-20</td><td>300</td></tr><tr><td>2018-19</td><td>1,480</td></tr><tr><td>2016-17</td><td>1,200</td></tr><tr><td>2017-18</td><td>500</td></tr><tr><td>2015-16</td><td>2,750</td></tr><tr><td>Prior Period</td><td>39,960</td></tr></table>	Financial Year	Amount	2019-20	300	2018-19	1,480	2016-17	1,200	2017-18	500	2015-16	2,750	Prior Period	39,960	-	46,190
Financial Year	Amount																
2019-20	300																
2018-19	1,480																
2016-17	1,200																
2017-18	500																
2015-16	2,750																
Prior Period	39,960																
	2.The Commercial Tax Department raised demand of Rs.32,07,960/- for the FY 2017-18 for non submission of Statutory Forms Like C-form etc. The management of the company is taking necessary steps for collection of C-Forms from the parties and to Submit the forms with in time to dispose the demand.The demand is setteled in full in F.Y.2020-21.	-	3,207,960.00														
	(b) Guarantees																
	1.The Axis Bank Limited, Civil Lines, Jaipur issued Bank Guarantee to The Assessing Authority , Excise and Taxation Department Guargon (Hariyana) of Rs. 1,00,000/- valid upto 14.12.2020 secured against the FDR of Rs. 1,00,000/-It is further renew in F.Y.2020-21 for Rs. 1,47,270. Further during the current financial year Fixed deposit amounting of Rs.18,30,542 is pledged agianst loan taken from SIDBI.	147,270	100,000														
	(c) Other money for which the Company is contingently liable (give details)	NA	NA														
(ii)	Commitments																
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NA	NA														
	Tangible assets	NA	NA														
	Intangible assets	NA	NA														
	(b) Uncalled liability on shares and other investments partly paid	NA	NA														
	(c) Other commitments (specify nature)	NA	NA														
		147,270	3,354,150														

27.3	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
	<b>Particulars</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2020</b>
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	38,822,776	47,517,309
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	
	(iv) The amount of interest due and payable for the year	-	
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			
27.4	<b>Value of imports calculated on CIF basis @:</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
	Raw materials		
	Components		
	Spare parts		
	Total Components and spare parts		
	Capital goods		
27.5	<b>Expenditure in foreign currency #:</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
	Royalty		
	Know-how		
	Professional and consultation fees		
	Interest		
	Other matters		
27.6	<b>Details of consumption of imported and indigenous items *</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
	<u>Imported</u>		
	Raw materials	-	
	Components	-	
	Spare parts	-	
	<b>Total</b>	-	
	<u>Indigenous</u>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
	Raw materials	41,243,176	84,984,327
	Components	-	
	Spare parts	-	
	<b>Total</b>	41,243,176	84,984,327
27.7	<b>Earnings in foreign exchange :</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
	Export of goods calculated on FOB basis		
	Royalty, know-how, professional and consultation fees		
	Interest and dividend		
	Other income, indicating the nature thereof.		



27.8	Amounts remitted in foreign currency during the year on account of dividend ##	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Amount of dividend remitted in foreign currency		
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)		
	Total number of shares held by them on which dividend was due		
	Year to which the dividend relates		
27.9	<b>Earnings per share</b>		
	<u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year attributable to the equity shareholders	19,042,352	8,522,082
	Weighted average number of equity shares	8,278,334	7,454,060
	Par value per share	10	10
	Earnings per share - Basic & diluted	2.30	1.14
	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
27.10	<b>Deferred Tax (Liability)/asset</b>		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balances and tax balance of fixed assets		-
	Tax effect of items constituting deferred tax liability		-
	<u>Tax effect of items constituting deferred tax assets</u>		
	On difference between book balances and tax balance of fixed assets	3,191,398	3,096,287
	Tax effect of items constituting deferred tax assets.	803,211	779,273
	Net deferred tax (liability)/asset	803,211	779,273

## Notes forming part of the consolidated financial statements

## Note 27 Disclosures under Accounting Standards (contd.)

Note	Particulars				
27.11	Related party transactions				
27.11a	Details of related parties:				
	Description of relationship	Names of related parties			
	Key Management Personnel (KMP)	Mr. Anuj Mundra, Mrs Vandna Mundra and Mrs Sunita Devi Mundhra, Dwarka Das Mundra and Gunjan Jain			
	Relatives of KMP				
	Company in which KMP / Relatives of KMP can exercise significant influence	Good Work and Company			
	Note: Related parties have been identified by the Management.				
27.11b	Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:				
		KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Purchase of goods				-
	Receiving of services				-
	Sale of Goods			2,603,094	2,603,094.00
	Maintainnce Charges Paid				-
	Transfer of research and development				-
	Renumeration to Directors	5,124,000			5,124,000
	Royalty paid	-			-
	Rent Paid	690,000			690,000
	Interest Paid	2,277,610			2,277,610
	Finance (including loans and equity contributions in cash or in kind)	15,312,051	-		15,312,051
	Salary Paid	711,850			711,850
	Guarantees and collaterals provided				-
	Management contracts including for deputation of employees				-
	Provision for doubtful receivables, loans and advances				-
	Write off / write back made during the year				-
	<u>Balances outstanding at the end of the year</u>				
	Trade receivables			2,583,249	-
	Loans and advances	50,000			50,000
	Trade payables				-
	Borrowings	2,882,000			2,882,000
	Provision for doubtful receivables, loans and advances				-



**Nandani**  
Creation Ltd

**NOTICE OF THE**  
**ANNUAL GENERAL MEETING**  
2020-2021

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 9<sup>TH</sup> ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF **NANDANI CREATION LIMITED** WILL BE HELD ON **THURSDAY, 30<sup>TH</sup> DAY OF SEPTEMBER, 2021 AT 3:00 P.M. IST** THROUGH VIDEO CONFERENCE (VC)/OTHER AUDIO-VISUAL MEANS (AOVM) TO TRANSACT THE FOLLOWING BUSINESS: -

### ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the Financial year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution:**
2. To Appoint a director in place of Mr. Anuj Mundhra (DIN: 05202504), who retires by rotation and being eligible offers himself for re appointment;

### SPECIAL BUSINESS:

3. **RE-APPOINTMENT OF MR. ANUJ MUNDHRA (DIN: 05202504), AS CHAIRMAN AND MANAGING DIRECTOR (KEY MANAGERIAL PERSONNEL) OF THE COMPANY:**

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

**"RESOLVED THAT** in accordance with the provisions of Section 117, 196, 197, 198 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 amended from time to time, the approval of the members/shareholders of the company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mr. Anuj Mundhra (DIN: 05202504) as the Chairman & Managing Director (Key managerial Personnel) of the Company, for a period of 5 years from August 15, 2021 to August 14, 2026 as recommend/approved by the Nomination & Remuneration Committee and the Board of Directors in its meeting held on 01<sup>st</sup> September, 2021 on the following terms, conditions, salary & perquisites:

- a) **Salary:** Rs. 2,70,000/- per month with increments as may be decided by the Board of Directors from time to time.

- b) **Perquisites:** In addition to the above salary as mentioned in the resolution, Mr. Anuj Mundhra, Chairman and Managing Director shall also be entitled to the perquisites (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent Allowance, telephone at residence, medical reimbursement, personal accidental insurance, Performance incentive, leave and leave travel concession, provident funds, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification (s) that may be made in any scheme/rule for the aforesaid benefits.

**"RESOLVED FURTHER THAT** Mr. Anuj Mundhra shall be key Managerial Person of the Company as defined under Section 203 of Companies Act, 2013 read with Rules made thereunder."

**"RESOLVED FURTHER THAT** wherein a financial year during the continuance of his tenure, the company has no profits or its profits are inadequate, the remuneration payable to him shall be in accordance with the Nomination & Remuneration Committee which shall also have the authority to decide the quantum, composition and periodicity of payment of such remuneration subject however that such remuneration shall not exceed the limit prescribed under Section II, Part II (A) (1)(ii) of Schedule V of the Companies Act, 2013.

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary, alter, increase or enhance/change from time to time, subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the companies Act, 2013 read with the Schedule V thereto, and subject to the requisite approvals, if any being obtained."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deems necessary, expedient, usual and proper."

**4. RE-APPOINTMENT OF MRS. VANDANA MUNDHRA (DIN: 05202403), AS WHOLE-TIME DIRECTOR (KEY MANAGERIAL PERSONNEL) OF THE COMPANY:**

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

**“RESOLVED THAT** in accordance with the provisions of Section 117, 196, 197, 198 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 amended from time to time, the approval of the members/shareholders of the company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mrs. Vandana Mundhra (DIN: 05202403) as the Whole-Time Director (Key managerial Personnel) of the Company, for a period of 5 years from August 15, 2021 to August 14, 2026 as recommend/approved by the Nomination & Remuneration Committee and the Board of Directors in its meeting held on 01st September, 2021 on the following terms, conditions, salary & perquisites:

- a) **Salary:** Rs. 1,08,000 per month with increments as may be decided by the Board of Directors from time to time.
- b) **Perquisites:** In addition to the above salary as mentioned in the resolution, Mrs. Vandana Mundhra, Whole Time Director shall also be entitled to the perquisites (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent, telephone at residence, medical reimbursement, personal accidental insurance, leave and leave travel concession, provident funds, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification (s) that may be made in any scheme/rule for the aforesaid benefits.

**“RESOLVED FURTHER THAT** wherein a financial year during the continuance of his tenure, the company has no profits or its profits are inadequate, the remuneration payable to him shall be in accordance with the Nomination & Remuneration Committee which shall also have the authority to decide the quantum, composition and periodicity of payment of such remuneration subject however that such remuneration shall not exceed the limit prescribed under Section II, Part II (A) (1)(ii) of Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary, alter, increase or

enhance/change from time to time, subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the companies Act, 2013 read with the Schedule V thereto, and subject to the requisite approvals, if any being obtained.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deems necessary, expedient, usual and proper.”

**5. RE-APPOINTMENT OF MRS. SUNITA DEVI MUNDHRA (DIN: 05203015), AS WHOLE-TIME DIRECTOR (KEY MANAGERIAL PERSONNEL) OF THE COMPANY:**

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

**“RESOLVED THAT** in accordance with the provisions of Section 117, 196, 197, 198 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 amended from time to time, the approval of the members/shareholders of the company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mrs. Sunita Devi Mundhra (DIN: 05203015) as the Whole-Time Director (Key managerial Personnel) of the Company, for a period of 5 years from August 15, 2021 to August 14, 2026 as recommend/approved by the Nomination & Remuneration Committee and the Board of Directors in its meeting held on 01<sup>st</sup> September, 2021 on the following terms, conditions, salary & perquisites:

- a) **Salary:** Rs. 72,000 per month with increments as may be decided by the Board of Directors from time to time.
- b) **Perquisites:** In addition to the above salary as mentioned in the resolution, Mrs. Sunita Devi Mundhra, Whole Time Director shall also be entitled to the perquisites (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent, gas, electricity, water and furnishings, telephone at residence, medical reimbursement,



personal accidental insurance, leave and leave travel concession, provident funds, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification (s) that may be made in any scheme/rule for the aforesaid benefits.

**“RESOLVED FURTHER THAT** wherein a financial year during the continuance of his tenure, the company has no profits or its profits are inadequate, the remuneration payable to him shall be in accordance with the Nomination & Remuneration Committee which shall also have the authority to decide the quantum, composition and periodicity of payment of such remuneration subject however that such remuneration shall not exceed the limit prescribed under Section II, Part II (A) (1)(ii) of Schedule V of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary, alter, increase or enhance/change from time to time, subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the companies Act, 2013 read with the Schedule V thereto, and subject to the requisite approvals, if any being obtained.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper.”

**6. RE-APPOINTMENT OF MR. GAGAN SABOO (DIN: 07545038), AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Gagan Saboo (DIN: 07545038), who holds office of Independent Director up to September 30, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not

**NOTICE OF AGM 2020-21**

liable to retire by rotation, for a second term of five consecutive years commencing from October 01, 2021 to September 30, 2026.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**7. RE-APPOINTMENT OF MR. GAURAV JAIN (DIN: 00065686), AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Gaurav Jain (DIN: 00065686), who holds office of Independent Director up to September 30, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from October 01, 2021 to September 30, 2026.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**8. RE-APPOINTMENT OF MR. NEETESH KABRA (DIN: 01574553), AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and



Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Neetesh Kabra (DIN: 01574553) , who holds office of Independent Director up to September 30, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from October 01, 2021 to September 30, 2026."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**9. APPROVAL OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE PROMOTERS OR MEMBERS OF THE PROMOTER GROUP IN TERMS OF REGULATION 17(6)(e) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018:**

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

**"RESOLVED THAT** addition to the previous resolutions passed by the Members from time to time and pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 (the "Act") and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any amendment(s) or modification(s) or re-enactment thereof) and upon recommendation and/or approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to pay an aggregate annual remuneration to the Executive Promoter Directors of the Company, viz. Mr. Anuj Mundhra (DIN: 05202504), Chairman and Managing Director, Mrs. Vandana Mundhra (DIN: 05202403), Whole-Time Director and Mrs. Sunita Devi Mundhra (DIN: 05203015), Whole-Time Director exceeding 5 per cent of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the approval of Members shall be valid only till the expiry of their respective tenure as the Executive Directors;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/ or the, Company Secretary & Compliance officer be and are hereby authorized to do all the acts & take all such steps, as may be necessary, proper or expedient to give effect to this resolution".

<p><b>DATE: 01.09.2021</b> <b>PLACE: JAIPUR</b></p>	<p style="text-align: right;"><b>By the Order of the Board</b> <b>For NANDANI CREATION LIMITED</b> <b>Sd/-</b> <b>GUNJAN JAIN</b> <b>(COMPANY SECRETARY &amp; COMPLIANCE OFFICER)</b> <b>(M No.: 45068)</b></p>
<p style="text-align: center;"><b>Registered Office:</b> <b>G-13, KARTARPURA INDUSTRIAL AREA,</b> <b>NEAR 22-GODAM, JAIPUR-302006, RAJASTHAN</b> <b>CIN: L18101RJ2012PLC037976</b></p>	

## NOTES:

1. Explanatory Statement pursuant to Section 102 of the Act relating to Item no. 3 and 9 of the Notice of the 9<sup>th</sup> AGM, which is considered to be unavoidable by the Board of Directors of the Company, is annexed here to. Also, relevant details in respect of Directors seeking re-appointment at the AGM, in terms of Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings are also annexed to this notice.
2. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated 13th January, 2021 read with General Circular 20/2020 dated 5th May, 2020, General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as "said Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In this Annual Report, the connotation of "Members" and "Shareholders" is the same. Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has decided to convene its ensuing 9<sup>th</sup> AGM through VC/OAVM, and the Members can attend and participate in the ensuing AGM through VC/OAVM.
3. The deemed venue for Nineth AGM shall be the registered office of the Company.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 9<sup>th</sup> AGM along with the Annual Report for Financial Year 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories'). A copy of this Notice along with the Annual Report for Financial Year 2020- 21 is uploaded on the Company's website [www.nandancreation.com](http://www.nandancreation.com) websites of the Stock Exchanges The National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Bigshare Services Private Limited ('Bigshare'), the Registrar and Transfer Agents of the Company ('RTA') at <https://www.bigshareonline.com/> Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, etc., from the Company electronically.
7. Institutional/Corporate Shareholders (i.e. other than Individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative to attend the AGM through VC /OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cs@jaipurkurti.com](mailto:cs@jaipurkurti.com) with a copy marked to [helpdesk.evotng@cdslindia.com](mailto:helpdesk.evotng@cdslindia.com) .
8. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 24<sup>th</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021 (both days inclusive)**.
9. The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as dividend to the Members (where core banking details are available) or to print the bank account details of the Members (as per the Company's records) on the physical payment.
10. Hence, the Members are requested to furnish/update their bank account name & branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. at the earliest with:
  - i. The respective Depository Participants (DP) (in case of the shares held in Electronic Mode) or;
  - ii. The Registrar & Share Transfer Agent of the Company (R&T Agent) (in case of the shares held in Physical form).
11. Members holding shares in Demat mode may kindly note that any request for change of address or change of E-mail ID or change in bank particulars/mandates or registration of nomination are to be instructed to their Depository Participant only, as the Company or its Registrar & Share Transfer Agent cannot act on any such request received directly from the Members holding shares in Demat mode. However, Members holding shares in physical mode are requested to notify the Registrar & Share Transfer Agent of the Company of any change in their address and e-mail id as soon as possible.
12. Members are requested to contact the Company's Registrar & Share Transfer Agent Bigshare Services Private Limited ("Bigshare" or "Registrar & Share Transfer Agent") having address at 1st Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059; Tel.: (022) 62638200/02 Email id: [admission@bigshareonline.com](mailto:admission@bigshareonline.com); Website: [www.bigshareonline.com](http://www.bigshareonline.com) for reply to their queries/redressal of complaints, if any, or contact Ms. Gunjan Jain , Company Secretary at

## NOTICE OF AGM 2020-21

the Registered Office of the Company (Phone No.: +0141-4037596; Email: [cs@jaipurkurti.com](mailto:cs@jaipurkurti.com) ).

13. To support the “Green Initiative” Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare in case the shares are held by them in physical form. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.nandanicreation.com](http://www.nandanicreation.com) , website of the Stock Exchanges i.e. National Stock Exchange of India Limited “Emerge Platform” and on the website of CDSL [www.evotngindia.com](http://www.evotngindia.com)

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFS Code, etc., to their DPs in case the shares are held by them in electronic form and to Bigshare in case the shares are held by them in physical form.

15. The Cut-off date for determining the names of shareholders eligible to get Notice of Annual General Meeting is **Friday, 03rd September, 2021.**

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act will be available during the meeting for inspection, to the Members attending the AGM.

17. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company’s Registrar & Share Transfer Agent.

18. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company’s

Registrar & Share Transfer Agent for consolidation into single folio.

19. Since, the securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, Members holding shares in physical form are requested to get their shares dematerialized at the earliest.

20. As per Regulation 40 of SEBI Listing Regulations, as amended, Securities of listed companies can be transferred only in

dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrar and Share Transfer Agent, Bigshare Services Private Limited (“Bigshare”) for assistance in this regard.

21. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company before the date of the AGM through Email on [info@jaipurkurti.com](mailto:info@jaipurkurti.com) . The same will be replied by/ on behalf of the Company suitably.

22. The Company has appointed **M/s Manisha Godara and Associates, Practicing Company Secretaries, New Delhi** as scrutinizer to scrutinize the voting and the voting process in a fair and transparent manner.

23. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which the voting is to be held, allow voting with the assistance of the Scrutinizer, by use of e-voting for all those Members who are present at the AGM through VC/AOVM.

24. The scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting in the presence of at least two witnesses not in the employment of the Company and shall make and submit, within 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of conclusion of the AGM.

25. The Notice of the AGM shall be placed on the website of the Company till the date of AGM. The Results declared, along with the scrutinizer’s Report shall be placed on the Company i.e. [www.nandanicreation.com](http://www.nandanicreation.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office.

26. Pursuant to Section 108 of Companies Act, 2013 read with rules made there under and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is providing e-voting facility to its Members to exercise their votes electronically on the item of business given in the Notice through the electronic voting service facility provided by CDSL.

27. Since, the AGM will be held at the registered office (deemed place of Meeting) and also via VC/OAVM, the Route map is also annexed in this Notice.

**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

- i. The voting period begins on **Sunday, 26<sup>th</sup> Day of September, 2021 at 9.00 A.M. and ends on Wednesday, 29<sup>th</sup> day of September, 2021 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **23<sup>rd</sup> September, 2021** may cast their vote electronically and that a person who is not a member as on the cut-off date should treat this notice for information purposes only. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility or physically and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- ii. The Board of Directors has appointed M/s Manisha Godara and Associates, Practicing Company Secretaries, New Delhi as scrutinizer to scrutinize the votes during the AGM and the remote e-voting process in a fair and transparent manner.
- iii. The Members who have casted their vote by remote e-voting prior to the AGM may also attend /participate in the AGM through VC/OAVM/physically but shall not be entitled to cast their votes again.
- iv. The Details of the process and manner for remote e-voting are explained herein below:
  - v. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - vi. Click on "Shareholders" Tab.
  - vii. Now Enter your User ID a) For CDSL: 16 digits beneficiary ID b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - viii. Next, enter the Image Verification as displayed and Click on Login.
  - ix. If you are holding shares, in demat form, had logged onto [www.evotingindia.com](http://www.evotingindia.com) , and voted on an earlier voting of any Company, then your existing password is to be used.

- x. If you are a first-time user, then follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

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



## NOTICE OF AGM 2020-21

Resolution and option NO implies that you dissent to the Resolution.

- xvi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xviii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xix. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xx. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xxi. Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxii. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for remote e-voting or sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- xxiii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evoting.com](http://www.evoting.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at 1800225533 or to the Company at [cs@jaipurkurti.com](mailto:cs@jaipurkurti.com).

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at [http:// www.evotingindia.com](http://www.evotingindia.com) under Shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in the shareholder/members login where the EVSN of the Company will be displayed.
2. The Facility of joining the AGM through VC/OAVM shall open 15 minutes before the scheduled time for the AGM.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
6. Shareholders who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by sending their requisition advance at least 2 days prior to meeting mentioning their names, Demat Account No./Folio No., e mail ID, Mobile No. at [info@jaipurkurti.com](mailto:info@jaipurkurti.com). The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to the meeting mentioning their names, Demat Account No./Folio No., e mail ID, Mobile No. at [info@jaipurkurti.com](mailto:info@jaipurkurti.com). These queries will be replied to by the Company suitably by email.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E -VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- I. For Physical shareholders-please provide necessary details like Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self



attested scanned copy of PAN card), AADHAR (self attested scanned copy of AADHAR card) by email to the Company/RTA email id.

- II. For Demat Shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID+CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of AADHAR card) by email to the Company/RTA email id.
- III. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

<b>DATE: 01.09.2021</b> <b>PLACE: JAIPUR</b>	<p style="text-align: right;"><b>By the Order of the Board</b>  <b>For NANDANI CREATION LIMITED</b>  Sd/-  <b>GUNJAN JAIN</b>  <b>(COMPANY SECRETARY &amp; COMPLIANCE OFFICER)</b>  <b>(M No.: 45068)</b></p>
<p style="text-align: center;"><b>Registered Office:</b>  <b>G-13, KARTARPURA INDUSTRIAL AREA,</b>  <b>NEAR 22-GODAM, JAIPUR-302006, RAJASTHAN</b>  <b>CIN: L18101RJ2012PLC037976</b></p>	

## ANNEXURE TO THE NOTICE

THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO RESOLUTION NO'S. 3 TO 9 OF THE NOTICE IN ACCORDANCE WITH SECTION 102 OF COMPANIES ACT, 2013:

ITEM NO. 3: RE-APPOINTMENT OF MR. ANUJ MUNDHRA (DIN: 05202504) AS THE CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:

Mr. Anuj Mundhra, aged 40 years, Chairman and Managing Director is the first generation entrepreneur and has experience in the Textile Industry for almost 19 years. He plays pivotal role in formulation and implementation of business strategy for growth & expansion of the business. He is the front face of the Company for dealing with the Suppliers, vendors, customers etc. Since, the inception due to his dedication and efforts, he has established two esteemed brands, "Jaipurkurti.com" A Tryst with India's Traditions & Amaiva-By Jaipur Kurti "- Where Style Meets Affordability.

Looking to his total devotion and resultant progress made by the Company under his dynamic leadership skills, your board of directors feels that his continuation on the Board as the Managing Director will be highly beneficial to the Company. Accordingly, he was being re-appointed as the Chairman & Managing Director of our Company for a period of 5 years from August 15, 2021 to August 14, 2026 on remuneration as mentioned in Item No. 3 of the Notice for which the consent of Nomination & Remuneration Committee have also been obtained subject to the approval of members.

The proposed remuneration will be in the limits prescribed for the managerial person in Schedule V of the Companies Act, 2013 amended from time to time. The Brief Resume of Mr. Anuj Mundhra is annexed with this Notice.

The Information in respect of terms of remuneration & perquisites is given below:

**1) REMUNERATION PROPOSED:** Rs. 2,70,000/- per month with increments as may be decided by the Board of Directors from time to time.

- **Medical Reimbursement:** Reimbursement of medical expenses actually incurred, subject to one month's salary in a year with a right to carry forward.
- **Leave and Leave Travel Concessions:** Leave Travel Concessions for self and Family. Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

- **Other perquisites:** Subject to overall ceiling on remuneration mentioned herein below, Mr. Anuj Mundhra may be given any other allowances, benefits and perquisites as the Board of

Directors (which includes any Committee thereof) may from time to time decide.

• **Amenities:**

**Conveyance facilities:** The Company shall provide suitable vehicle to the Chairman & Managing Director. All the repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

**Telephone internet and other communication facilities:** The Company shall provide telephone, mobile, internet and other communication facilities at the Chairman & Managing Director residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

**2) MINIMUM REMERATION:** In the event of the Company incurring a loss or having inadequate profits in any Financial year , the remuneration, perquisites, benefits, allowances and amenities payable to Mr. Anuj Mundhra shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

**3) SITTING FEES:** He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committee thereof. He is liable to retire by rotation during his tenure as Managing Director.

Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:

I. GENERAL INFORMATION	
<b>Nature of industry</b>	Manufacturing of Apparels
<b>Date or expected date of commencement of commercial production</b>	Company was incorporated on 21 <sup>st</sup> February, 2012 and the commercial production of the Company consequent upon Conversion from Private Company to Public Company was started on 12 <sup>TH</sup> Day of August, 2016
<b>In case of new companies, expected date of commencement of activities as per project</b>	Not Applicable

approved by financial institutions appearing in the prospectus			
Financial performance based on given indicators		The details of financial performance of the Company for the previous years are as follows	
FINANCIAL YEAR	REVENUE FROM OPERATIONS	PROFIT/(LOSS) BEFORE TAX	PROFIT/(LOSS) AFTER TAX
2020-21	46.09 CR.	2.41 CR	1.78 CR.
2019-20	43.74 CR.	1.07 CR.	0.74 CR.
2018-19	36.17 CR.	1.43 CR.	1.02 CR.
2017-18	34.24 CR.	1.23 CR.	0.87 CR.
Foreign investments or collaborations, if any		The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/ secondary market purchases. The Company has one Subsidiary the details of which are given in the Annual Report 2021 which accompanies this Notice.	
II. Information about the appointee			
Background details		Anuj Mundra aged 40 years, is the Chairman and Managing Director of our Company. He is a first generation entrepreneur and has experience in this industry for around a decade. His rich experience and dedication has contributed immensely in the development of the Company. He is the key person in formulating and implementation of business strategy for growth & expansion and looks after overall business operations.	
Past Remuneration		Rs. 2,25,000/- (Rupees Two lacs Twenty Five Thousand Only)	
Recognition or awards		Under the leadership of Mr. Anuj Mundhra, Mrs. Vandna Mundhra & Mrs. Sunita Devi Mundhra, your Company has received a award of (1) SKOCH ORDER OF MERIT for qualifying amongst Top 100 SME's in India on 12.03.2018	

	(2) Honored with A Grove of 25 Trees at the periphery of Sitamata Wildlife Sanctuary, Rajasthan India by National Stock Exchange of India Limited on 10.10.2016 etc. (3) Articles appeared in Your story, SMB Story, Economic times etc
Job profile and their suitability	<b>Mr. Anuj Mundhra</b> aged 39 years is the Chairman and Managing Director of our Company. He is a first generation entrepreneur and has experience in this industry for around a decade. His rich experience and dedication has contributed immensely in the development of the Company. He is the key person in formulating and implementation of business strategy for growth & expansion and looks after overall business operations.
Remuneration proposed	Rs. 2,70,000/- per month with increments as may be decided by the Board
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V Part II and is comparable to the remuneration of WTD/MD levels of similar sized Apparel companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Vandana Mundhra, Whole Time Director is the wife of Mr. Anuj Mundhra, Mrs. Sunita Devi Mundhra, Whole Time Director is the Mother of Mr. Anuj Mundhra & Mr. Dwarka Dass Mundhra, Chief Financial Officer is the father of Mr. Anuj Mundhra. Except this he does not have any other pecuniary relationship with any of the director/managerial Personnel of the Company.
<b>III. Other information</b>	
Reasons of loss or inadequate profits	There is no Loss. The Company's products require more brand visibility when compared to well established Apparel Brands. The Company continues to invest

## NOTICE OF AGM 2020-21

	heavily in Manufacturing and Machineries Installations and has considerable borrowings, leading to higher interest costs. These have resulted in the Company making Inadequate Profits.
<b>Steps taken or proposed to be taken for improvement</b>	The Company has been earning profits in the past consistently on standalone basis and we expect to do well in future also. The reason being for less profits is that our Company has opened <b>Retail stores in the F.Y. 2019-20</b> and has <b>re-launched its 1<sup>st</sup> Store with the name "JaipurKurti.com"</b> . The Company has initiated various steps to improve its operational performance / liquidity, including cost control measures have been put in place. The Company has Net profit after Tax of Rs. 1.78 Cr.in the FY 2020-21.
<b>Expected increase in productivity and profits in measurable terms:</b>	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future.
<b>Disclosures</b>	As required, the information is provided under Board's Report Annexure Section of Annual Report 2020.

None of the Directors or Key Managerial Personnel or their relatives, other than Mr. Anuj Mundhra, Managing Director, Mrs. Vandana Mundhra, Whole-time Director and Mrs. Sunita Devi Mundhra, Whole-time Director and Mr. Dwarka Dass Mundhra, Chief Financial Officer of the Company and their relatives in respect of their own appointments only, are concerned or interested in this resolution. This explanatory statement may also be regarded as the disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Resolutions as set out at **ITEM NO. 3** of the Notice as Special Resolutions, for approval of the Members.

### **ITEM NO. 4: RE-APPOINTMENT OF MRS. VANDANA MUNDHRA (DIN: 05202403) AS THE WHOLE-TIME DIRECTOR OF THE COMPANY:**

Mrs. Vandana Mundhra, aged 40 years, Whole Time Director has experience in the Textile Industry for almost 15 years. She plays a crucial role in designing and developing the products, and is the creative head behind the company.

Looking to his total devotion and resultant progress made by the Company under his dynamic leadership skills, your board of directors

feels that his continuation on the Board as the Whole-Time Director will be highly beneficial to the Company. Accordingly, she was being re-appointed as the Whole-Time Director of our Company for a period of 5 years from August 15, 2021 to August 14, 2026 on remuneration as mentioned in Item No. 4 of the Notice for which the consent of Nomination & Remuneration Committee have also been obtained subject to the approval of members. The proposed remuneration will be in the limits prescribed for the managerial person in Schedule V of the Companies Act, 2013 amended from time to time. The Brief Resume of Mrs. Vandana Mundhra is annexed with this Notice.

The Information in respect of terms of remuneration & perquisites is given below:

**1) SALARY:** Rs. 1,08,000/- per month with increments as may be decided by the Board of Directors from time to time.

- **Medical Reimbursement:** Reimbursement of medical expenses actually incurred, subject to one month's salary in a year with a right to carry forward.

- **Leave and Leave Travel Concessions:** Leave Travel Concessions for self and Family. Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

- **Other perquisites:** Subject to overall ceiling on remuneration mentioned herein below, Mr. Anuj Mundhra may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

- **Amenities:**

**Conveyance facilities:** The Company shall provide suitable vehicle to the Chairman & Managing Director. All the repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

**Telephone internet and other communication facilities:** The Company shall provide telephone, mobile, internet and other communication facilities at the Chairman & Managing Director residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

**2) MINIMUM REMERATION:** In the event of the Company incurring a loss or having inadequate profits in any Financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Mr. Anuj Mundhra shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

**3) SITTING FEES:** He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committee thereof. He is liable to retire by rotation during his tenure as Managing Director.

Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:

I. GENERAL INFORMATION			
Nature of industry		Manufacturing of Apparels	
Date or expected date of commencement of commercial production		Company was incorporated on 21 <sup>st</sup> February, 2012 and the commercial production of the Company consequent upon Conversion from Private Company to Public Company was started on 12 <sup>TH</sup> Day of August, 2016	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus		Not Applicable	
Financial performance based on given indicators		The details of financial performance of the Company for the previous years are as follows	
FINANCIAL YEAR	REVENUE FROM OPERATIONS	PROFIT/(LOSS) BEFORE TAX	PROFIT/(LOSS) AFTER TAX
2020-21	46.09 CR.	2.41 CR	1.78 CR.
2019-20	43.74 CR.	1.07 CR.	0.74 CR.
2018-19	36.17 CR.	1.43 CR.	1.02 CR.
2017-18	34.24 CR.	1.23 CR.	0.87 CR.
Foreign investments or collaborations, if any		The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/ secondary market purchases. The Company has one Subsidiary the details of which are given in the Annual Report 2021 which accompanies this Notice.	
II. Information about the appointee			
Background details		Mr. Vandana Mundhra, aged 40 years , Whole Time Director has experience in the Textile Industry for almost 15 years. She plays a crucial role in designing and developing the products, and is	

	the creative head behind the company.
Past Remuneration	Rs. 90,000/- (Rupees Ninety Thousand Only)
Recognition or awards	Under the leadership of Mr. Anuj Mundhra, Mrs. Vandana Mundhra & Mrs. Sunita Devi Mundhra, your Company has received a award of (1) SKOCH ORDER OF MERIT for qualifying amongst Top 100 SME's in India on 12.03.2018 (2) Honored with A Grove of 25 Trees at the periphery of Sitamata Wildlife Sanctuary, Rajasthan India by National Stock Exchange of India Limited on 10.10.2016 etc. (3) Articles appeared in Your story, SMB Story, Economic times etc
Job profile and their suitability	Mr. Vandana Mundhra, aged 40 years , Whole Time Director has experience in the Textile Industry for almost 15 years. She plays a crucial role in designing and developing the products, and is the creative head behind the company.
Remuneration proposed	Rs. 1,08,000/- per month with increments as may be decided by the Board of Directors from time to time
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V Part II and is comparable to the remuneration of WTD/MD levels of similar sized Apparel companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Anuj Mundhra, Managing Director is the Husband of Mrs. Vandana Mundhra, Mrs. Sunita Devi Mundhra, Whole Time Director is the Mother-in law of Mr. Vandana Mundhra & Mr. Dwarka Dass Mundhra , Chief Financial Officer is the father-in-law of Mrs. Vandana Mundhra. Except this he does not have any other pecuniary relationship with any of the



## NOTICE OF AGM 2020-21

### ITEM NO. 5: RE-APPOINTMENT OF MRS. SUNITA DEVI MUNDHRA (DIN: 05203015) AS THE WHOLE-TIME DIRECTOR OF THE COMPANY:

Mrs. Sunita Devi Mundhra, aged 60 years, Whole Time Director has experience in the Textile Industry and takes care of the Business Operations.

Looking to his total devotion and resultant progress made by the Company under his dynamic leadership skills, your board of directors feels that his continuation on the Board as the Whole-Time Director will be highly beneficial to the Company. Accordingly, she was being re-appointed as the Whole-Time Director of our Company for a period of 5 years from August 15, 2021 to August 14, 2026 on remuneration as mentioned in Item No. 4 of the Notice for which the consent of Nomination & Remuneration Committee have also been obtained subject to the approval of members.

The proposed remuneration will be in the limits prescribed for the managerial person in Schedule V of the Companies Act, 2013 amended from time to time. The Brief Resume of Mrs. Sunita Devi Mundhra is annexed with this Notice.

The Information in respect of terms of remuneration & perquisites is given below:

1) **SALARY:** Rs. 72,000/- per month with increments as may be decided by the Board of Directors from time to time.

- **Medical Reimbursement:** Reimbursement of medical expenses actually incurred, subject to one month's salary in a year with a right to carry forward.

- **Leave and Leave Travel Concessions:** Leave Travel Concessions for self and Family. Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

- **Other perquisites:** Subject to overall ceiling on remuneration mentioned herein below, Mr. Anuj Mundhra may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

- **Amenities:**

**Conveyance facilities:** The Company shall provide suitable vehicle to the Chairman & Managing Director. All the repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

**Telephone internet and other communication facilities:** The Company shall provide telephone, mobile, internet and other communication facilities at the Chairman & Managing Director residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

2) **MINIMUM REMERATION:** In the event of the Company incurring a loss or having inadequate profits in any Financial year, the remuneration, perquisites, benefits, allowances and amenities

	director/managerial Personnel of the Company.
<b>III. Other information</b>	
<b>Reasons of loss or inadequate profits</b>	There is no Loss. The Company's products require more brand visibility when compared to well established Apparel Brands. The Company continues to invest heavily in Manufacturing and Machineries Installations and has considerable borrowings, leading to higher interest costs. These have resulted in the Company making Inadequate Profits.
<b>Steps taken or proposed to be taken for improvement</b>	The Company has been earning profits in the past consistently on standalone basis and we expect to do well in future also. The reason being for less profits is that our Company has opened <b>Retail stores in the F.Y. 2019-20</b> and has <b>re-launched its 1<sup>st</sup> Store with the name "JaipurKurti.com"</b> . The Company has initiated various steps to improve its operational performance / liquidity, including cost control measures have been put in place. The Company has Net profit after Tax of Rs. 1.78 Cr.in the FY 2020-21.
<b>Expected increase in productivity and profits in measurable terms:</b>	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future.
<b>Disclosures</b>	As required, the information is provided under Board's Report Annexure Section of Annual Report 2020.

None of the Directors or Key Managerial Personnel or their relatives, other than Mr. Anuj Mundhra, Managing Director, Mrs. Vandana Mundhra, Whole-time Director and Mrs. Sunita Devi Mundhra, Whole-time Director and Mr. Dwarka Dass Mundhra, Chief Financial Officer of the Company and their relatives in respect of their own appointments only, are concerned or interested in this resolution. This explanatory statement may also be regarded as the disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Resolutions as set out at ITEM NO. 4 of the Notice as Special Resolutions, for approval of the Members.



payable to Mr. Anuj Mundhra shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

**3) SITTING FEES:** He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committee thereof. He is liable to retire by rotation during his tenure as Managing Director.

Further, information required as per Schedule V of the Companies Act, 2013 is given as follows:

I. GENERAL INFORMATION			
Nature of industry		Manufacturing of Apparels	
Date or expected date of commencement of commercial production		Company was incorporated on 21 <sup>st</sup> February, 2012 and the commercial production of the Company consequent upon Conversion from Private Company to Public Company was started on 12 <sup>TH</sup> Day of August, 2016	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus		Not Applicable	
Financial performance based on given indicators		The details of financial performance of the Company for the previous years are as follows	
FINANCIAL YEAR	REVENUE FROM OPERATIONS	PROFIT/(LOSS) BEFORE TAX	PROFIT/(LOSS) AFTER TAX
2020-21	46.09 CR.	2.41 CR	1.78 CR.
2019-20	43.74 CR.	1.07 CR.	0.74 CR.
2018-19	36.17 CR.	1.43 CR.	1.02 CR.
2017-18	34.24 CR.	1.23 CR.	0.87 CR.
Foreign investments or collaborations, if any		The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/ secondary market purchases. The Company has one Subsidiary the details of which are given in the Annual Report 2021 which accompanies this Notice.	

II. Information about the appointee	
Background details	Mrs. Sunita Devi Mundhra, aged 60 years , Whole Time Director has experience in the Textile Industry and takes care of the Business Operations.
Past Remuneration	Rs. 60,000/- (Rupees Sixty Thousand Only)
Recognition or awards	Under the leadership of Mr. Anuj Mundhra, Mrs. Vandana Mundhra & Mrs. Sunita Devi Mundhra, your Company has received a award of (1) SKOCH ORDER OF MERIT for qualifying amongst Top 100 SME's in India on 12.03.2018 (2) Honored with A Grove of 25 Trees at the periphery of Sitamata Wildlife Sanctuary, Rajasthan India by National Stock Exchange of India Limited on 10.10.2016 etc. (3) Articles appeared in Your story, SMB Story, Economic times etc
Job profile and their suitability	Mrs. Sunita Devi Mundhra, aged 60 years , Whole Time Director has experience in the Textile Industry and takes care of the Business Operations.
Remuneration proposed	Rs. 72,000/- per month with increments as may be decided by the Board of Directors from time to time.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V Part II and is comparable to the remuneration of WTD/MD levels of similar sized Apparel companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Anuj Mundhra, Managing Director is the Son of Mrs. Sunita Devi Mundhra, Mrs. Vandana Mundhra, Whole Time Director is the daughter-in-law of Mrs. Sunita Devi Mundhra & Mr. Dwarka Dass Mundhra , Chief Financial Officer is the Husband of Mrs. Sunita Devi Mundhra. Except this he does not have any other pecuniary relationship with any of the

	director/managerial Personnel of the Company.
<b>III. Other information</b>	
<b>Reasons of loss or inadequate profits</b>	There is no Loss. The Company's products require more brand visibility when compared to well established Apparel Brands. The Company continues to invest heavily in Manufacturing and Machineries Installations and has considerable borrowings, leading to higher interest costs. These have resulted in the Company making Inadequate Profits.
<b>Steps taken or proposed to be taken for improvement</b>	The Company has been earning profits in the past consistently on standalone basis and we expect to do well in future also. The reason being for less profits is that our Company has opened <b>Retail stores in the F.Y. 2019-20</b> and has <b>re-launched its 1<sup>st</sup> Store with the name "JaipurKurti.com"</b> . The Company has initiated various steps to improve its operational performance / liquidity, including cost control measures have been put in place. The Company has Net profit after Tax of Rs. 1.78 Cr.in the FY 2020-21.
<b>Expected increase in productivity and profits in measurable terms:</b>	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future.
<b>Disclosures</b>	As required, the information is provided under Board's Report Annexure Section of Annual Report 2020.

None of the Directors or Key Managerial Personnel or their relatives, other than Mr. Anuj Mundhra, Managing Director, Mrs. Vandana Mundhra, Whole-time Director and Mrs. Sunita Devi Mundhra, Whole-time Director and Mr. Dwarka Dass Mundhra, Chief Financial Officer of the Company and their relatives in respect of their own appointments only, are concerned or interested in this resolution. This explanatory statement may also be regarded as the disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Resolutions as set out at **ITEM NO. 5** of the Notice as Special Resolutions, for approval of the Members.

**ITEM NO. 6: RE-APPOINTMENT OF MR. GAGAN SABOO (DIN: 07545038), AS AN INDEPENDENT DIRECTOR:**

Mr. Gagan Saboo has been appointed as Independent Director of the Company on September 30, 2016 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Gagan Saboo, the Independent Director of the Company expires on September 29, 2021. The Board of Directors, at its meeting held on 01<sup>st</sup> September, 2021, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Gagan Saboo as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from October 01, 2021 to September 30, 2026.

Further based on the result of the performance evaluation and his active participation and contribution in Audit Committee, Nomination & Remuneration Committee of the Company, the Board has recommended that his continued association as Independent Director, would be of immense benefit of the Company and it is desirable to continue avail his services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the offices of Directors. The Company has received declaration from Mr. Gagan Saboo to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

In the opinion of the Board, as Director he fulfills the conditions specified the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the company. The terms and conditions of their appointment shall be open for inspection by the Member at the Registered office of the Company during the normal business hours on any working day and will also kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mr. Gagan Saboo, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 6 of the accompanying Notice for the Approval of Members as a Special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Gagan Saboo or the appointee is concerned or interested in this resolution. This explanatory statement may also be regarded as the disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profile along with other particulars of Mr. Gagan Saboo as required under provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

## NOTICE OF AGM 2020-21

### **Profile of the Independent Directors is given at the last of the Explanatory Statement forming the part of Notice.**

#### **ITEM NO. 7: RE-APPOINTMENT OF MR. GAURAV JAIN (DIN: 00065686), AS AN INDEPENDENT DIRECTOR:**

Mr. Gaurav Jain has been appointed as Independent Director of the Company on September 30, 2016 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Gaurav Jain, the Independent Director of the Company expires on September 29, 2021. The Board of Directors, at its meeting held on 01<sup>st</sup> September, 2021, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Gaurav Jain as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from October 01, 2021 to September 30, 2026.

Further based on the result of the performance evaluation and his active participation and contribution in Audit Committee, Nomination & Remuneration Committee of the Company, the Board has recommended that his continued association as Independent Director, would be of immense benefit of the Company and it is desirable to continue avail his services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the offices of Directors. The Company has received declaration from Mr. Gaurav Jain to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

In the opinion of the Board, as Director he fulfills the conditions specified the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the company. The terms and conditions of their appointment shall be open for inspection by the Member at the Registered office of the Company during the normal business hours on any working day and will also kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mr. Gaurav Jain, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 7 of the accompanying Notice for the Approval of Members as a Special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Gaurav Jain or the appointee is concerned or interested in this resolution. This explanatory statement may also be regarded as the disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profile along with other particulars of Mr. Gaurav Jain as required under provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

### **Profile of the Independent Directors is given at the last of the Explanatory Statement forming the part of Notice.**

#### **ITEM NO. 8: RE-APPOINTMENT OF MR. NEETESH KABRA (DIN: 01574553), AS AN INDEPENDENT DIRECTOR:**

Mr. Neetesh Kabra has been appointed as Independent Director of the Company on September 30, 2016 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mr. Neetesh Kabra, the Independent Director of the Company expires on September 29, 2021. The Board of Directors, at its meeting held on 01<sup>st</sup> September, 2021, subject to the approval of the Members, has considered and approved the re-appointment of Mr. Neetesh Kabra as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from October 01, 2021 to September 30, 2026.

Further based on the result of the performance evaluation and his active participation and contribution in Audit Committee, Nomination & Remuneration Committee of the Company, the Board has recommended that his continued association as Independent Director, would be of immense benefit of the Company and it is desirable to continue avail his services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the offices of Directors. The Company has received declaration from Mr. Neetesh Kabra to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

In the opinion of the Board, as Director he fulfills the conditions specified the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the company. The terms and conditions of their appointment shall be open for inspection by the Member at the Registered office of the Company during the normal business hours on any working day and will also kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mr. Neetesh Kabra, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 8 of the accompanying Notice for the Approval of Members as a Special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Neetesh Kabra or the appointee is concerned or interested in this resolution. This explanatory statement may also be

regarded as the disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profile along with other particulars of Mr. Neetesh Kabra as required under provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

**Profile of the Independent Directors is given at the last of the Explanatory Statement forming the part of Notice.**

**ITEM NO. 9: APPROVAL OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE PROMOTERS OR MEMBERS OF THE PROMOTER GROUP IN TERMS OF REGULATION 17(6)(e) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018:**

Approval of payment of remuneration to the Executive Directors, who are promoters or members of the promoter group, in terms of Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

As per Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which has come into force from April 01, 2019, provides that the annual remuneration payable to the executive directors, who are promoters or members of promoter group, shall be subject to the approval of the shareholders if: (i) such remuneration exceeds ` 5.00 Crore or 2.5% of the net profits of the Company, as calculated as per Section 198 of the Act; whichever is higher (ii) the aggregate annual remuneration exceeds 5% of such net profits of the Company, as calculated under section 198 of the Act, in case of more than one such director. The aforesaid approval shall be valid only till the expiry of the term of such director.

At present, the Company has three Executive Directors from Promoter Group, viz, Mr. Anuj Mundhra (DIN: 05202504), Chairman and Managing Director, Mrs. Vandana Mundhra (DIN: 05202403), Whole-Time Director and Mrs. Sunita Devi Mundhra (DIN: 05203015), Whole-Time Director.

In order to comply with the requirement of Amended LODR Regulations and on the recommendation of the Board of Directors in view of their immense contribution, approval of Members, by way of Special Resolution, is being sought for paying remuneration even if the annual aggregate remuneration payable to Mr. Anuj Mundhra (DIN: 05202504), Chairman and Managing Director, Mrs. Vandana Mundhra (DIN: 05202403), Whole-Time Director and Mrs. Sunita Devi Mundhra (DIN: 05203015), Whole-Time Director, exceeds 5% of the net profit of the Company, as calculated under section 198 of the Companies Act 2013 in any year during the tenure of their respective appointments.

Mr. Anuj Mundhra holds 37,22,225 Shares, Mrs. Vandana Mundhra holds 19,76,975 Shares & Mrs. Sunita Devi Mundhra holds 11,97,250 shares in the Company respectively.

The Board recommends the Special Resolution at Item No. 9 for approval of the Members. A part from Mr. Anuj Mundhra (DIN: 05202504), Chairman and Managing Director, Mrs. Vandana Mundhra (DIN: 05202403), Whole-Time Director and Mrs. Sunita Devi Mundhra (DIN: 05203015), Whole-Time Director, who are interested themselves, none of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED FROM TIME TO TIME), AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):

**I. ITEM NO. 2, 3, 4, 5, 6, 7 & 8**

Name of Director	Anuj Mundhra	Vandana Mundhra	Sunita Devi Mundhra	Gagan Saboo	Gaurav Jain	Neetesh Kabra
DIN	05202504	05202403	05203015	07545038	00065686	01574553
Age	40 years	40 years	60 years	39 years	39 years	46 years
Qualification	Bachelor of Commerce From Rajasthan University	Bachelor of Arts (B.A) from International College for Girls	Bachelor of Commerce From Rajasthan University	Master of Commerce From Rajasthan University	Chartered Accountant	Bachelor of Commerce From Rajasthan University
Date Of First Appointment On The Board	21/02/2012	21/02/2012	21/02/2012	12/08/2016	12/08/2016	12/08/2016
Expertise in specific functional areas	Carry rich experience of 19 years in the textile industry. He plays a pivotal role in formulation and implementation of business strategy for growth & expansion of the business. He has been the front face of the company for dealing with suppliers, vendors, customers, etc	Carry rich experience of 15 years in the textile industry. She plays a crucial role in designing and developing the products, and is the creative head behind the company.	Carry rich experience of over 20 years in Textile Industry.	Carry rich experience of 10-12 year in the Garment Industry and is providing valuable knowledge to us in the Textile field.	Being a Chartered Accountant by profession, he plays a pivotal role in formulating the Financial strategies of the Company and helps us in Financial Planning's of the company.	Carry rich experience of 15 years in the textile industry.
Shareholding in Company as on 31st March, 2021	37,22,225 Shares	1976975 Shares	1197250 Shares	-	-	-
List of the directorships held in other companies as on 31st March, 2021	-	-	Directorship: Desi Fusion India Pvt. Ltd.	-	Directorship: HM Aluminium Alloys Private Limited  Real Revolution Build Estate Private Limited	-
Relationship with other directors Manager and other Key Managerial Personnel of the	Son of Mrs. Sunita Devi Mundhra & Husband of Mrs. Vandana Mundhra	Wife of Mr. Anuj Mundhra & Daughter-in-law of Mrs. Sunita Devi Mundhra	Mother of Mr. Anuj Mundhra & Mother-in-law of Mrs. Vandana Mundhra	-	-	-



## NOTICE OF AGM 2020-21

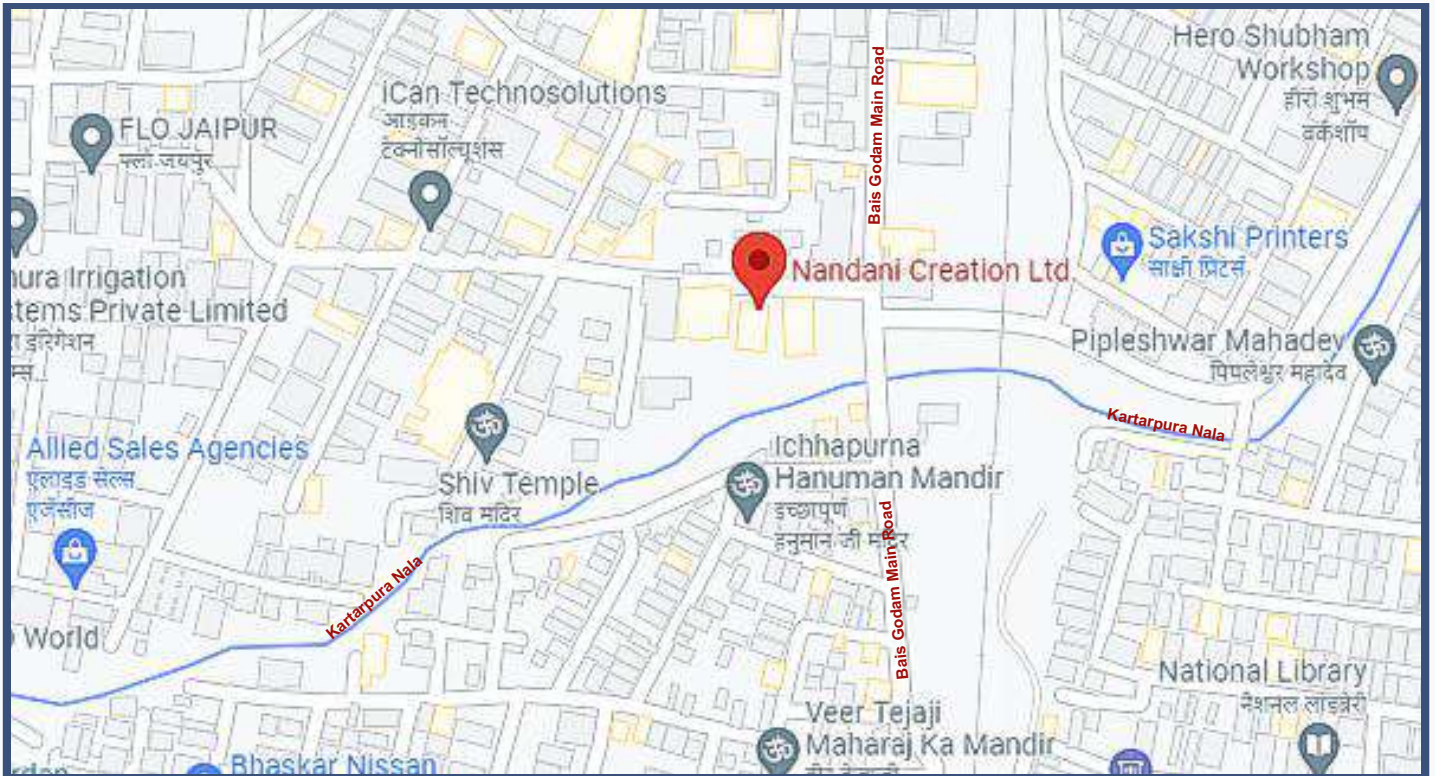
Company						
<b>No. of Meetings attended during the Financial Year 2020-21</b>	During F.Y. 2020-21 total 7 (seven) meetings were held and Mr. Anuj Mundhra attended all Board Meetings	During F.Y. 2020-21 total 7 (seven) meetings were held and Mrs. Vandana Mundhra attended all Board Meetings	During F.Y. 2020-21 total 7 (seven) meetings were held and Mrs. Sunita Devi Mundhra attended all Board Meetings	During F.Y. 2020-21 total 7 (seven) meetings were held and Mr. Gagan Saboo attended all Board Meetings	During F.Y. 2020-21 total 7 (seven) meetings were held and Mr. Gaurav Jain attended all Board Meetings	During F.Y. 2020-21 total 7 (seven) meetings were held and Mr. Neetesh kabra attended all Board Meetings
<b>Terms and Conditions of Appointment</b>	Executive, non independent Director, liable to retire by rotation	Executive, non independent Director, liable to retire by rotation	Executive, non independent Director, liable to retire by rotation	Non-Executive, Independent Director, not liable to retire by rotation	Non-Executive, Independent Director, not liable to retire by rotation	Non-Executive, Independent Director, not liable to retire by rotation
<b>Remuneration details (Including Sitting Fees &amp; Commission)</b>	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report

Directorship includes Directorship of Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

<b>DATE: 01.09.2021</b> <b>PLACE: JAIPUR</b>	<b>By the Order of the Board</b> <b>For NANDANI CREATION LIMITED</b> <b>Sd/-</b> <b>GUNJAN JAIN</b> <b>(COMPANY SECRETARY&amp; COMPLIANCE OFFICER)</b> <b>(M No.: A45068)</b>
<b>Registered Office:</b> <b>G-13, KARTARPURA INDUSTRIAL AREA,</b> <b>NEAR 22-GODAM, JAIPUR-302006, RAJASTHAN</b> <b>CIN: L18101RJ2012PLC037976</b>	



# ROUTE MAP



## ADDRESS:

G-13, Kartarpura Industrial Area,  
Bais Godam, Jaipur, Rajasthan  
302006

**PHONE:** +91-141-4037596-4029596

**WHATSAPP :** (+91) 9314966969













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For further information please contact company:

**NANDANI CREATION LIMITED**

CIN NO. L18101RJ2012PLC037976

**Retail Stores :**

**VAISHALI NAGAR JAIPUR**

**TRITON MALL JAIPUR**

**MGF MALL JAIPUR**

**GAURAV TOWER JAIPUR**

Website : [www.nandanicreation.com](http://www.nandanicreation.com)

Email ID : [info@jaipurkurti.com](mailto:info@jaipurkurti.com)

Contact no : 0141-4037596

Manufacturing Units

G-13, AARNA-3, KARTARPURA INDUSTRIAL AREA, BAIS GODAM, JAIPUR, RAJASTHAN 302006 [R]

G-95A, RICCO INDUSTRIAL AREA, EXTENSION PHASE-II, BAGRU, JAIPUR, RAJASTHAN 303007 [R]