

SURAT TEXTILE MILLS LIMITED

Date: 23rd August, 2022

BSE Limited
The Corporate Relationship Department,
First Floor, New Trading Wing,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai 400001

Scrip Code: 530185

Sub.: Revised Submission of Notice of 76th AGM and Annual Report of the Company for the year ended 31st March, 2022.

Ref.: Intimation under Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sir/Madam,

Please find enclose revised Notice of 76th AGM and Annual Report of the Company for the year ended 31st March, 2022 as there was error on time of AGM.

The 76th Annual Report of the Company is also hosted on Company's website at www.surattextilemillslimited.com

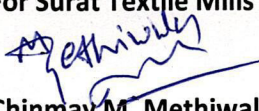
Brief details of the 76th AGM of the Company are as under:

Date and Time of AGM	Tuesday, 13th September, 2022 at 3:00 p.m.
Mode	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM).
Cut-off date for e-voting	Tuesday, 6th September, 2022
e-voting start date and time	Friday, 9th September, 2022, 9:00 A.M.
e-voting end date and time	Monday, 12th September, 2022, 5:00 P.M.
e-voting website	https://evoting.kfintech.com

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
For Surat Textile Mills Limited


Chinmay M. Methiwala
Company Secretary & Compliance Officer



Encl.: As above.



Regd. Office : Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat - 395 010.

Phone : (0261) 2311197-98, 2311513 Fax : (0261) 2311029/502

CIN : L17119GJ1945PLC000214 | Website : www.surattextilemillsltd.com

2021-2022

ANNUAL REPORT



SURAT TEXTILE MILLS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Manikant R. Momaya (DIN: 00023993)
Managing Director (upto 28/04/2022)

Yogesh C. Papaiya (DIN: 00023985)
Wholetime Director & CFO (upto 10/08/2022)

Paresh V. Chothani (DIN: 00218632)
Wholetime Director (w.e.f. 26/11/2021)

Alok P. Shah (DIN: 00218180)
Managing Director (w.e.f. 01/07/2022)

Harishchandra B. Bharucha (DIN: 00138430)

Ketan A. Jariwala (DIN: 02095540)

Kruti G. Kothari (DIN: 08502921)

Deepak N. Shah (DIN: 07356807)(w.e.f. 11/08/2022)

CHIEF FINANCIAL OFFICER

Chandresh S. Punjabi (w.e.f. 11/08/2022)

COMPANY SECRETARY

Chinmay M. Methiwala

REGISTERED OFFICE

6th Floor, Tulsi Krupa Arcade,
 Near Aai Mata Chowk,
 Puna-Kumbharia Road, Dumbhal,
 Surat 395010.
 CIN: L17119GJ1945PLC000214
 Tel: (0261) 2311198.
 e-mail: shareddepartment@stml.in
<http://www.surattextilemillsLtd.com>

STATUTORY AUDITORS

Sharp & Tannan Associates,
 Chartered Accountants, Mumbai

COST AUDITORS

P. M. Nanabhoy & Co.,
 Cost Accountants, Mumbai.

BANKERS

HDFC Bank
 Bank of Baroda

PLANT

Village Jolwa, Taluka Palsana,
 Dist. Surat 394305
 Tel: (02622) 271287-89

REGISTRAR AND TRANSFER AGENTS

KFin Technologies Limited
 (Unit: Surat Textile Mills Limited)
 Selenium Tower B, Plot Nos. 31 & 32,
 Financial District,
 Serilingampally Mandal,
 Hyderabad 500032.
 State: Telengana, India.
 Email: einward.ris@kfintech.com
 Toll Free No. 1-800-309-4001

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("Surat Textile Mills Limited" formerly known as "Garden Cottons & Yarns Ltd.")

76th Annual General Meeting on Tuesday, 13th September, 2022 at 3:00 p.m. IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility

NOTICE

Notice is hereby given that the **76th Annual General Meeting ("AGM")** of the members of **Surat Textile Mills Limited** will be held on Tuesday, 13th September, 2022, at 3:00 PM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

Item No. 1: To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon.

Item No. 2: To appoint a Director in place of Mr. Paresh V. Chothani (DIN: 00218632), who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 3: To re-appoint M/s. Sharp & Tannan Associates, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

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

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Sharp & Tannan Associates, Chartered Accountants, having registration No. 109983W, having offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of 5 (five) years, to hold office from the conclusion of this 76th Annual General Meeting till the conclusion of the 81st Annual General Meeting to be held in the year 2027 at a remuneration of Rs.2,25,000 (Rupees Two Lakhs Twenty-five Thousand Only) plus reimbursement of out of pocket expenses and applicable taxes for the financial year 2022-23.

FURTHER RESOLVED THAT the Board of Directors on the recommendation of the Audit Committee be and are hereby authorised to finalise the other terms and conditions for the entire term of the Statutory Auditors including remuneration of the Statutory Auditors for the remaining tenure."

SPECIAL BUSINESS

Item No. 4: Appointment of Mr. Alok P. Shah (DIN 00218180) as a Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rules made thereunder and the provisions of the Articles of Association of the Company, Mr. Alok P. Shah (DIN 00218180), who was appointed as an Additional Director in the capacity as Managing Director of the Company with effect from 30th June, 2022 pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting under section 161 of the Act and Article 87 of the Articles of Association of the Company, being eligible, offers himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Alok P. Shah's candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

Item No. 5: Appointment of Mr. Alok P. Shah (DIN 00218180) as the Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 of the Act, read with Schedule V to the Companies Act, 2013 ('the Act') and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and subject to such other

approvals as may be necessary under the applicable provisions of the Act, consent of the Members be and is hereby accorded for the appointment of Mr. Alok P. Shah as the Managing Director of the Company for a period of 3 (three) years with effect from 1st July, 2022 upto 30th June, 2025 upon the terms and conditions of appointment as set out in the Explanatory Statement annexed to the Notice convening this meeting without remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Item No. 6: Appointment of Mr. Deepak N. Shah (DIN: 07356807) as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 150,152,161 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the being in force) Mr. Deepak N. Shah (DIN: 07356807), who was appointed as an Additional Independent Director on 11th August, 2022, pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years and not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Registered Office: By Order of the Board
Tulsi Krupa Arcade, **For Surat Textile Mills Limited**
6th Floor, Puna-Kumbharia
Road, Dumbhal,
Surat 395010. **Chinmay M. Methiwala**
Company Secretary

Place: Surat

Date: 11th August, 2022

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) in respect of Item nos. 3 to 6 of the Notice set out above, is annexed hereto. The Board of Directors have considered and decided to include item nos. 4 to 6 as Special Business as they are unavoidable in nature.
2. The relevant details as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) of persons seeking appointment / re-appointment as Directors is also annexed.
3. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021 and 5th May, 2022 respectively issued by the Ministry of Corporate Affairs (“MCA”) (collectively referred to as “MCA Circulars”) read with Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 12th May, 2020, 15th January, 2021 and 13th May, 2022 respectively issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”) companies are allowed to hold Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.
4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purposes of reckoning the quorum under Section 103 of the Act.
5. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company i.e. Tulsi Krupa Arcade, 6th Floor, Near Aai Mata Chowk, Puna Kumbharia Road, Dumbhal, Surat 395010 which shall be the deemed venue of the AGM. The route map for the venue of the AGM is therefore not attached.
6. KFin Technologies Limited, (“KFin”), the Company’s Registrar and Transfer Agent will provide the facility for voting through remote e-voting; for participating at the AGM through VC / OAVM and for e-voting during the AGM.

7. Generally, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence proxy forms and attendance slips are not annexed to this Notice.
8. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to shareddepartment@stml.in
9. **Book Closure:** The Register of Members and Transfer Books of the Company will remained closed from Thursday, 8th September, 2022 to Tuesday, 13th September, 2022 (both days inclusive) for the purpose of AGM.
10. Members are requested to address all correspondence to RTA, KFin Technologies Limited (formerly known as KFin Technologies Limited), Unit: Surat Textile Mills Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.
11. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by the KFin Technologies Limited. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Jigar Vyas & Associates, Practicing Company Secretaries, as Scrutinizers to scrutinize the e-voting in a fair and transparent manner.
12. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on 6th September, 2022, may cast their votes electronically. The e-voting period commences on Friday, 9th September, 2022 (9:00 a.m. IST) and ends on Monday, 12th September, 2022 (5:00 p.m. IST). The e-voting module will be disabled by NSDL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on 6th September, 2022. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
14. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. 6th September, 2022, may obtain the login ID and password by sending a request at <https://evoting.kfintech.com>. However, if he / she is already registered with KFinTech for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. 6th September, 2022, may follow steps mentioned in the Notice under 'Instructions for e-voting'.
15. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 76th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
16. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode

are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2021-22 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	ISR 4
	The forms for updating the above details are available at https://www.surattextilemillsLtd.com	

Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.
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17. Members may also note that the Notice of the 76th AGM and the Annual Report 2021-22 will also be available on the Company's website, <https://www.surattextilemillsLtd.com>, website of the stock exchange, i.e. BSE at www.bseindia.com and on the website of KFin Technologies Limited, <https://evoting.kfintech.com>.
18. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar by March 31, 2022 vide its circular dated November 3, 2021 and December 15, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars KFin Technologies Limited at einward.ris@kfintech.com. The forms for updating the same are available at <https://www.surattextilemillsLtd.com>.
19. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
20. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.surattextilemillsLtd.com>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

21. The Scrutinizer will submit his report to the Chairman of the Company (“the Chairman”) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company’s website, www.surattextilemillsLtd.com.

1. GENERAL GUIDELINES FOR PARTICIPATION THROUGH VIDEO CONFERENCE (VC):

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences from Friday, 9th September, 2022.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- viii. The Board of Directors has appointed Mr. Jigar Vyas of Jigar Vyas & Associates, Practicing Company Secretaries (FCS No. 8019 and COP No.14468) as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.

2. INSTRUCTIONS FOR E-VOTING

The details of the process and manner for remote e-voting and voting during AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

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

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

- I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1. 3. Alternatively by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/ Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech. V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. V. Click on e-Voting service provider name to cast your vote.

Type of shareholders	Login Method
	2. User not registered for Easi/Easiest - Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Proceed with completing the required fields. - Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL - Visit URL: www.cdslindia.com - Provide your demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. - After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	- You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. - Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. - Click on options available against company name ore-Voting service provider Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- Launch internet browser by typing the URL:<https://evoting.kfintech.com>
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be

your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.

- iii. After entering these details appropriately, click on “LOGIN”.
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the “EVEN” i.e., “AGM” and click on “Submit”
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id csjigarvyas@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name_ Even No.”
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM

and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFinTech, by accessing the link: <https://ris.kfintech.com/client/services/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

- ii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have

forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

- ii. Facility for joining AGM through VC / OAVM shall open at least 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at <https://emeetings.kfintech.com>. Questions /queries received by the Company till Monday, 12th September , 2022 (5:00 p.m. IST) shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from Friday, 9th September, 2022 (9:00 a.m. IST) to Sunday, 11th September, 2022 (5:00 p.m. IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from Friday, 9th September, 2022 (9:00 a.m. IST) to Monday, 12th September, 2022 (5:00 p.m. IST).
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact Manager-Corporate Registry at evoting@kfintech.com or call Kfintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, 6th September, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

VOTING AT THE AGM:

- a. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/ OAVM.
- b. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- c. E-voting during the AGM is integrated with the VC/ OAVM platform and no separate login is required for the same.

- d. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility 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 in the AGM.
- e. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting through VC/OAVM; however, these Members are not entitled to cast their vote again during the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting through VC/OAVM mode during the AGM.
- I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with KFin Technologies Limited by sending an email request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.

OTHER INFORMATION:

- a) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by the Chairman in writing who shall countersign the same.
- b) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the Results of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website and on the website of Karvy immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Company are listed.
- c) Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e. Tuesday, 13th September, 2022.
- II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFin Technologies Limited for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFin Technologies Limited are required to provide their email address to KFin Technologies Limited, on or before 5:00 p.m. (IST) on Tuesday, 6th September, 2022.

The process for registration of email address with KFin Technologies Limited for receiving the Notice of AGM and login ID and password for e-voting is as under:

- i. Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - ii. Select the Company name viz. Surat Textile Mills Limited.
 - iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
 - iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
2. **PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFIN TECHNOLOGIES LIMITED (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):**

- v. Enter your email address and mobile number.
 - vi. The system will then confirm the email address for receiving this AGM Notice. The Members may also visit the website of the Company www.surattextilemillsLtd.com and click on the “email registration” and follow the registration process as guided thereafter. Please note that in case of shareholding in dematerialised form, the updation of email address will be temporary only upto AGM.
- III. After successful submission of the email address, KFin Technologies Limited will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFin Technologies Limited.
- IV. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / KFin Technologies Limited to enable serving of notices / documents / Annual Reports and other communications electronically to their email address in future.

**By Order of the Board
For Surat Textile Mills Limited**

**Place: Surat
Date: 11th August, 2022**

**Chinmay M. Methiwala
Company Secretary**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No. 3:

Re-appointment of Statutory Auditors.

M/s. Sharp & Tannan Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 71st Annual General Meeting ('AGM') held on 2nd August, 2017 for a period of 5 years, up to the conclusion of 76th AGM. M/s. Sharp & Tannan Associates are eligible for re-appointment for a further period of 5 years. M/s. Sharp & Tannan Associates have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. Sharp & Tannan Associates have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

Moreover, in accordance with provisions of the Section 139(2) of the Act, a listed company can re-appoint an audit firm as Statutory Auditor for not more than two terms of five consecutive years. Since, M/s. Sharp & Tannan Associates, Chartered Accountants has only completed one term of five years, the Board, based on the recommendations of the Audit Committee, recommends the re-appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, having registration No. 109983W, as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 76th AGM till the conclusion of the 81st AGM of the Company.

The Board of Directors have approved a remuneration of Rs.2.25 Lakhs for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The other terms and conditions for the entire term and remuneration including, inter-alia, the expenses for remaining tenure of the Statutory Auditors will be decided by Board of Directors on the recommendation of the Audit Committee of the Company which would be in line with the existing remuneration and

shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The firm has offices in various cities across the country. M/s Sharp & Tannan Associates is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. The firm audits various companies listed / unlisted in India. The firm holds the 'Peer Review' certificate as issued by 'ICAI'.

The Board recommends the resolution set out at Item No.3 of the Notice for approval by the Members by way of an Ordinary Resolution.

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

Item No.4 and 5

Appointment of Mr. Alok P. Shah (DIN: 00218180) as a Director in the capacity as Managing Director of the Company.

Pursuant to provisions of Section 161 of the Companies Act, 2013 ('the Act'), the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee ('NRC'), the Board of Directors, at its meeting held on 30th June, 2022, appointed Mr. Alok P. Shah (DIN 00218180), as an Additional Director of the Company with immediate effect. At the said meeting, the Board of Directors based on the recommendation of NRC, also appointed Mr. Alok P. Shah as Managing Director of the Company, for a period of 3 (three) years, w.e.f. 1st July, 2022, subject to the approval of the members, on the terms and conditions as recommended by the NRC and approved by the Board of the Directors.

As an Additional Director, Mr. Alok P. Shah is entitled to hold office upto the date of the Annual General Meeting and is eligible to be appointed as a Director of the Company.

The Company has received a notice from a Member under section 160(1) of the Act proposing his candidature for the office of Director of the Company. The Company has received consent from Mr. Alok P. Shah to act as the Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of section 164(2) of the Act and has not been debarred or disqualified from being appointed or continuing a Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

The Company has also received declaration from him confirming that his name does not appear in the list of wilful defaulters issued by Reserve Bank of India. Mr. Alok P. Shah satisfies all the conditions set out in Part-I of Schedule V to the Act and under sub-section (3) of section 196 of the Act for being eligible for this appointment.

Mr. Alok P. Shah is a graduate in Electrical Engineering from Stanford University and has an M.B.A. (Finance, General Management and Economics) from University of Chicago, USA. Mr. Alok P. Shah has had a brilliant academic career. He has wide exposure and knowledge in project appraisal, assessing technical feasibility in respect of projects, corporate finance, operations & management etc.

Considering the vast experience and knowledge in the field of textiles, the scale of business handled, current needs of the business, present performance and potential assessment, the Board considers Mr. Alok P. Shah's appointment as a valuable addition to the Board and the Company, which will augment the present Board Composition.

The terms and conditions of appointment of Mr. Alok P. Shah as the as Managing Director of the Company as set out in the resolution and explanatory statement are subject to your approval.

Accordingly, the Board recommends (i) appointment of Mr. Alok P. Shah as the Director of the Company as per the resolution set out at Item No. 4 of the Notice by way of an Ordinary Resolution; and (ii) appointment of Mr. Alok P. Shah as Managing Director of the Company, for a period of 3 (three) years, w.e.f. 1st July, 2022, on such terms as set out in the resolution at the Item No. 5 of the Notice by way of an Ordinary Resolution.

It is therefore proposed to seek the members' approval for the aforesaid appointment. The salient features of the terms and conditions of appointment of Mr. Alok P. Shah as set out in the draft agreement are as follows:

- i) Salary: Nil
 - ii) Terms and Conditions
- (a) The Managing Director shall have the substantial powers of Management of the affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.
 - (b) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

- (c) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (d) The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
- (e) Mr. Alok P. Shah so long as he functions as Managing Director, shall not be paid any sitting fees for attending the meeting of the Board or Committees thereof.
- (f) He shall be liable to retire by rotation and said retirement by rotation shall not be construed as break in terms of his appointment.

Mr. Alok P. Shah satisfy all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment. Mr. Alok P. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The draft agreement between the Company and Mr. Alok P. Shah is available for inspection by the Members of the Company at its Registered Office of the Company on all working days except Sunday and public holiday, during normal business hours (9:00 a.m. to 5:00 p.m.) up to the date of meeting.

Brief profile of Mr. Alok P. Shah and information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of appointment of Mr. Alok P. Shah is mentioned in the annexure which forms part of this notice.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Alok P. Shah under Section 190 of the Act.

Mr. Alok P. Shah is interested in the resolution set out at Item No.4 and 5 of the Notice, which pertains to his appointment as an Additional Director and as Managing Director of the Company. The relatives of Mr. Alok P. Shah may be deemed to be interested in the resolution set out at Item No.4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board of Directors recommends resolution set out at item No.4 and 5 of the Notice for the approval of members as an Ordinary Resolutions.

Item No.6

Appointment of Mr. Deepak N. Shah (DIN: 07356807) as an Independent Director of the Company

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Mr. Deepak N. Shah (DIN: 07356807) as an Additional Director in the capacity as an Independent Director with effect from 11th August 2022 to hold office for a term of 5 (five) consecutive years from 11th August, 2022 to 10th August, 2027, not liable to retire by rotation, subject to the approval of the Members.

Mr. Deepak N. Shah, aged about 72 years, is a Fellow Member of the Institute of Chartered Accountants of India. He is a practicing chartered accountant and having more than 4 decades of experience in the Statutory Audits, Tax Audits, Internal Audit, Management Audits and MIS related services.

Mr. Deepak N. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as Director of the Company. The Company has also received a declaration from Mr. Deepak N. Shah that she meets the criteria of independence as prescribed under Section 149 read with Schedule IV to the Act and the Listing Regulations.

The Company has received a notice in writing from a Member pursuant to Section 160 of the Act, proposing the candidature of Mr. Deepak N. Shah for the office of Director of the Company.

In the opinion of the Board, Mr. Deepak N. Shah fulfils the conditions for appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the Management.

The appointment of Mr. Deepak N. Shah as an Additional Director in the capacity as an Independent Director of the Company requires approval of members by special resolution since Mr. Deepak Shah would be attaining the age of 75 years during his tenure of 5 years from the date of appointment. Appointment of Independent Director who would attain the age of 75 years also requires approval of members by special resolution for such appointment or continuation of such appointment.

Copy of the draft letter for appointment of Mr. Deepak N. Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, excluding Saturday and Sunday upto the date of this meeting.

Brief profile of Mr. Deepak N. Shah and information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of appointment of Mr. Deepak N. Shah is mentioned in the annexure which forms part of this notice.

Mr. Deepak N. Shah is interested in the resolution set out at Item No.6 of the Notice, which pertains to his appointment. The relatives of Mr. Deepak N. Shah may be deemed to be interested in the resolution set out at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board of Directors recommends resolution set out at item No.6 of the Notice for the approval of members as a Special Resolution.

**By Order of the Board
For Surat Textile Mills Limited**

**Place: Surat
Date: 11th August, 2022**

**Chinmay M. Methiwala
Company Secretary**

DISCLOSURE RELATING TO DIRECTOR PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS.

Name of the Director	Mr. Alok P. Shah	Mr. Paresh V. Chothani	Mr. Deepak N. Shah
DIN	00218180	00218632	07356807
Date of Birth	11/09/1970	05/09/1959	23/10/1950
Age	52 Years	63 Years	72 Years
Nationality	Indian	Indian	Indian
Date of first appointment on Board	30/06/2022	26/11/2021	11/08/2022
Qualification	Graduate in Electrical Engineering from Stanford University and has an M.B.A. (Finance, General Management and Economics) from University of Chicago, USA.	Graduated in Textile Engineering (B.Text.) from VJTI Mumbai.	Fellow Member (FCA) of the Institute of Chartered Accountants of India (ICAI)
Expertise in specific Functional areas	He has wide exposure and knowledge in project appraisal, assessing technical feasibility in respect of projects, corporate finance & management etc.	More than 3 decades of experience in the field of Man Made Textile Industry, more particularly in fabrics marketing.	Practicing Chartered Accountant holds more than four decades of experience in Corporate Audit, Taxation, Internal Audit and MIS related services.
Terms and Conditions of appointment/re-appointment and proposed remuneration to be paid	Terms and conditions of his appointment and proposed remuneration are as per the Nomination and Remuneration Policy of the Company and as specified in the resolution set out at Item no. 4 & 5 of the Notice read with explanatory statement thereof.	Terms and conditions of his appointment and proposed remuneration are as per the Nomination and Remuneration Policy of the Company and as approved by the Board of Directors and the shareholders of the Company at the respective meetings.	Nil
Remuneration last drawn – For FY 2021-22	Not applicable	Rs.2,00,131	Not applicable
Shareholding in the Company including shareholding as a beneficial owner	10015000 Equity Shares of Rs.1 each fully paid up comprising of about 4.51% of the paid up capital of the Company	Nil	Nil

Name of the Director	Mr. Alok P. Shah	Mr. Paresh V. Chothani	Mr. Deepak N. Shah
Number of Board Meetings attended during the financial year 2021-22	Not Applicable	3	Not applicable
Directorship in other Public Limited Companies	Bijlee Textiles Ltd. Palomar Textiles Ltd. Prabhat Silk Mills Ltd. Rosekamal Textile Ltd. Vareli Trading Company Ltd.	Nil	Nil
Memberships / Chairmanship of committees in other public limited Companies	Nil	Nil	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	No inter se related to any Director or Key Managerial Personnel of the Company.	No inter se related to any Director or Key Managerial Personnel of the Company.	No inter se related to any Director or Key Managerial Personnel of the Company.

Note: Pursuant to Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two committees, viz. Audit Committee and Stakeholders' Relationship Committee have been considered.

For ease of participation by Members, provided below are some key details regarding the AGM for your reference:

Sr. No.	Particulars	Details of access
1	Link for live webcast of the AGM and for participation through VC / OAVM	https://emeetings.kfintech.com by using e-voting credentials and click on video conference
2	Link for posting AGM queries and speaker registration and period of registration	https://emeetings.kfintech.com by using e-voting credentials and click on “post your queries” / “Speaker registration” as the case may be. Period of registration: Friday, 9th September, 2022 (9.00 a.m. IST) upto Sunday, 11th September 2022 (3.00 p.m. IST).
3	Link for remote e-voting	https://evoting.kfintech.com
4	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-voting credentials. Please refer the instructions provided in this Notice for further information.
5	Helpline number for VC participation and e-voting	Contact KFin Technologies Limited at 1800 309 4001 or write to them at emeetings@kfintech.com Contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 Contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43
6	Cut-off date for e-voting	Tuesday, 6th September, 2022
7	Time period for remote e-voting	Commences on Friday, 9th September, 2022 (9.00 a.m. IST) and ends on Monday, 12th September, 2022 (5.00 p.m. IST)
8	Book closure dates	Thursday, 8th September, 2022 to Tuesday, 13th September, 2022 (both days inclusive)
9	Link for Members to update e-mail address	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
10	Last date for publishing results of the e-voting	18th September, 2022
11	Registrar and Transfer Agent contact details	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel: 1800 309 4001 Website: www.kfintech.com
12	Surat Textile Mills Limited – contact details	Tulsi Krupa Arcade, 6th Floor, Puna Kumbharia Road, Dumbhal, Surat 395010 Tel.: 0261 – 2311198 Email: shareddepartment@stml.in

DIRECTORS' REPORT & MANAGEMENT'S DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors present their 76th Annual Report on the performance of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2022. The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report.

Financial Highlights

The summarised financial performance of discontinued and continuing business operations of the Company for the financial year ended 31st March, 2022 is summarised as below:

(Rs. in Lakhs)

Particulars	Discontinued Operations		Continuing Operations	
	2022	2021	2022	2021
Revenue from Operations	1,687.43	13,114.42	0.00	0.00
Other income	1.22	2.57	606.09	470.62
Operating Profit/(Loss) / EBITDA (including other income)	(118.29)	1,792.46	64.61	3.37
Add/Less: Finance Costs	0.00	0.20	6.06	15.82
Profit/(Loss) before Depreciation & Amortisation Expenses	(118.29)	1,792.26	58.55	(12.45)
Add/Less: Depreciation & Amortisation Expenses	7.19	9.55	35.60	29.21
Profit/(Loss) before tax from Discontinued Operations	(125.48)	1,782.71	22.95	(41.66)

Review of Operations

Discontinued Operations

The Company had undertaken several initiatives such as improvement in product quality and cost reduction etc. in the past to improve operating and financial performance. However, the sluggish domestic demand growth in the polyester industry and the non availability of technical staff triggered by the ongoing Coronavirus (COVID-19) pandemic impacted operations and revenue during FY 22. Consequently, the manufacturing operations of the Company at its Polymerisation plant at Jolwa remained suspended since May 21.

There was a decline in total revenue from operation for FY22 at Rs.1687.43 Lakhs as compared to Rs.13114.42 Lakhs achieved in FY21 primarily due to significant fall in production & sale volume. Other operating income for the year ended 31 March, 2022 was at Rs.1.22 Lakhs as compared to Rs.2.57 Lakhs in the previous year.

Owing to lower volume, subdued domestic demand coupled with lower price realisation and prevailing Covid-19 restriction during 1st quarter of FY 22, the Company incurred Loss of Rs. 125.48 Lakhs for FY 22 as compared to Profit before tax of Rs. 1782.71 Lakhs in the previous year.

During FY 21 the production at its Polymerisation plant at Jolwa remained fully operational for most of the year. Therefore, the figures for FY 22 are not comparable with the previous year's performance.

The production at Polyester Spinning Division at village Jolwa, Taluka Palsana continued to remain suspended since 2016 primarily due to competitive pressure and prevailing market conditions in the yarn segment.

In the opinion of the Board, the operating environment of chips and yarn segment under the present scenario is not favourable, and deterioration of value of the plant assets (being in shut down condition) should be avoided. After evaluating various options, the Board decided to sell the assets of Jolwa manufacturing division considering the overall interest of stakeholders.

Continuing Operations

Your Company earned Other Income of Rs.606.09 Lakhs for FY 22 as compared to Rs.470.62 Lakhs in FY 21. The major component of Other Income comprises of unrealised gain on current investments in various mutual fund schemes and earnings on investments in bonds. Profit before tax for FY 22 was Rs.22.95 Lakhs as compared to Loss of Rs.41.66 Lakhs in FY 21.

Approval on Sale of Assets of Jolwa Manufacturing division

Pursuant to the approval of shareholders of the Company by way of postal ballot process on 12th February, 2022, and in terms of the powers delegated, the Board of Directors of the Company had entered into the necessary definitive agreements & executed the same on 29th April, 2022, for sale of its assets of Manufacturing Division situated at Village Jolwa, Taluka Palsana, Dist. Surat ('Undertaking'), together with all specified tangible, including land, buildings, and plant & machineries in relation to the unit, by way of an asset transfer on a 'Going Concern' basis on an 'as is, where is and what is' basis to Garden Silk Mills Private Limited.

Earlier, the Board of Directors of the Company at its meeting held on 1st January, 2022, subject to shareholders' approval, approved in principle, the proposal for sale of its assets of Jolwa Manufacturing division and authorised the Board to execute necessary definitive agreements.

Further, this event is the post balance sheet unadjustable event as of 31st March, 2022.

Accordingly the assets held for Sale (Jolwa Division Assets) of the company are classified as non-Current assets as on 31st March, 2022 and the results of the operations have been classified as discontinued operations.

As required under para 30 of Indian Accounting Standards (IND AS) 105, the bifurcation of certain amounts with respect to the discontinued and continuing operations has been incorporated in the schedules and notes forming part of the financial statements for FY 2022.

Impact of Covid-19

The impact of COVID-19 pandemic on the overall economic environment has receded to a great extent. Your company is consciously exploring and evaluating various opportunities that are arising in the new economic scenario.

Nature of New Business

Consequent to sale / transfer of the assets of the Company's Jolwa manufacturing division, the management is considering various options for possible alternate business including trading in commodities and other commodity related activities as covered and permissible under the object clause of the Memorandum of Association, while considering the resources and size of the Company.

Approval on Reclassification of Garden Silk Mills Limited shareholding from Promoter category to Public category

In response to the Company's application for Re-classification of Garden Silk Mills Limited from the 'Promoter and Promoter Group' category to the 'Public' category and based on submissions made by the Company, BSE Limited granted its approval on 11th January, 2022, in accordance with the provisions of Regulation 31(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Update on Merger

As directed by the Hon'ble NCLT Ahmedabad Bench vide its Order dated 16th August, 2021, in response to the Company's application to Hon'ble NCLT seeking appropriate directions for convening and holding of the meeting of the Equity Shareholders of the Company (Applicant Transferee Company), the Company convened meeting of its shareholders on 7th October, 2021 and the shareholders of the Company with requisite majority approved the Scheme of Arrangement between Vareli Trading Company Limited (Applicant Transferor Company) and Surat Textile Mills Limited (the Transferee Company). The final order/approval on the application is awaited from NCLT.

Dividend

Considering the weak financial performance of the Company, your Directors do not recommend any dividend on equity shares for the financial year 2021-22.

Transfer to Reserves

In absence of distributable profits/earnings, it is not proposed to transfer any amount to reserves for the financial year 2021-22.

Share Capital

The Paid-up Equity Share Capital of the Company as on March 31, 2022 was Rs.2220.64 Lakhs comprising of 22,20,64,440 equity shares of Rs.1 each fully paid up. During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Company has paid Listing Fees for the Financial Year 2022-23, to BSE Limited where its equity shares are listed.

Subsidiary, Joint Venture and Associate Companies

The Company has no subsidiary / joint venture / associates for the financial year ended 31st March, 2022. Accordingly, the requirements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is not applicable.

The policy for determining material subsidiaries formulated by the Board of Directors is disclosed on the website of the Company and can be accessed at <https://www.surattextilemillslimited.com>

Industry Structure and Development

Indian Economy

An unprecedented scale of vaccination programme across the country along with supportive policies helped the Indian economy withstand challenges posed by the second and third wave of the pandemic. Second advance estimates by the Ministry of Statistics and Program Implementation put India's FY22 GDP growth at 8.9% as compared to a 7.3% contraction in FY21, suggesting an overall recovery of economic activities to pre-pandemic levels.

Pandemic-induced supply side disruptions have pushed up input costs, leading to inflationary pressure. India's Consumer Price Index inflation grew by 6.95% y-o-y in March 2022, breaching the targeted tolerance band.

The country is likely to face inflationary pressure due to turbulence in crude oil, a major foreign exchange expenditure item for India, and commodity prices. As per KPMG estimates, Indian economy is expected to grow 7.7% in FY 2022-23. The IMF has a more positive outlook on expectation that the country is being better placed to face Ukrainian crisis. It projects the Indian economic growth at 8.2% for FY 2022-23. (Source: IMF WEO April 2022, KPMG, Fitch Ratings)

India has seen consistent supply-side reforms rather than a total reliance on demand management.

Over the past few years, the government has undertaken several measures – it has deregulated several sectors, simplified processes, removed retrospective taxation, accelerated privatisation, and introduced production-linked incentives, among others.

The Russia-Ukraine war has raised oil prices, food prices and other commodity prices. Inflation is resurgent in the rest of the world. The US reports 8.5% and Europe around 7.5%.

The resurgence of COVID-19 infections in some major economies and the associated lockdowns may run the risk of further aggravating the global supply bottlenecks and input cost pressures.

India's slowing economic recovery faces fresh geopolitical risks. The loss of momentum comes amid disruptions from waves of virus outbreaks and lingering external risks, most notably from high commodity prices that are being exacerbated by the Russia-Ukraine crisis.

India, which meets nearly 80% of its needs through oil imports, is worried about the rising crude oil prices as it could widen its oil import bill while leading to inflationary pressures

There is no direct impact of the Russia-Ukraine crisis on India in terms of bilateral trade but a surge in oil prices poses considerable risk to the economy.

Opportunities, Challenges, Threats, Risks and Concerns

The hardening of crude oil prices, however, presents a major upside risk to the inflation outlook. The transmission of input cost pressures to selling prices remains muted in view of the continuing slack in demand.

Change in the policies of the Government of India may adversely affect economic conditions in the country generally, which could impact our business and prospects.

The Company is concerned about the various threats that it is exposed to which includes factors such as uncertain business environment including impact of COVID-19 pandemic, fluctuating rupee, slowdown in demand & possibility of increase in interest rates, etc.

The broader trends in the economy are expected to have a direct impact on your Company's growth prospects as well. Inflation is expected to remain elevated for the foreseeable future, driven by war-induced commodity price increases and broadening price pressures. In addition, the anticipated increase in interest rates by Central Banks in the coming year are also expected to lower growth and exert pressure on economies particularly those in emerging markets.

New and changing regulatory compliance, governance and disclosure requirements may increase our costs of compliance.

The Company tries to mitigate these risks by taking quick actions and proactive initiatives & sound business management practices and minimize the impact of these risks to the extent possible.

Business Outlook

There are signs of pickup in economic activity and the recovery should gather pace by the end of first quarter FY22, helped by the decline in COVID cases and faster vaccination.

India is poised to grow at the fastest pace year-on-year among major economies, according to projections made by the International Monetary Fund (IMF). This recovery is supported by large-scale vaccination and sustained fiscal and monetary support.

The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination.

RBI estimates the GDP growth rate for FY 2022-23 at 7.2%. The annual inflation rate in India edged down to 7.04% in May of 2022 from an 8-year high of 7.79% in the previous month. Inflation is expected to remain high for the next few quarters of FY 2022-23 due to higher commodity and fuel prices and negative terms of trade.

The RBI has already taken measures to contain inflation by tightening the policy rates. The next few quarters will be critical for India's economy as the Government and the RBI work at balancing the stress on inflation, currency and fiscal deficit.

Consumer confidence is improving and households' optimism in outlook for the year ahead has strengthened with an uptick in sentiments. Business confidence is in optimistic territory and supportive of revival in economic activity.

Internal Control Systems & their adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our Internal Control System and procedures.

Industrial Relations / Human Resources

Overall harmonious industrial relations prevailed at all the Company's locations during FY 2021-22.

Significant emphasis was also laid towards raising awareness on health and wellness of employees through health awareness activities.

In line with the 'Go Green' philosophy, your Company is continuously adopting new techniques to eliminate and minimise the overall environmental impact. The Company continuously works to nurture this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment.

Your Directors wish to place on record their appreciation for the dedicated and commendable services rendered by the employees of the Company.

Resources and Liquidity

Our principal sources of liquidity are cash and cash equivalents, investments and the cash flow that we generate from our operations. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements.

Our Cash and cash equivalents includes deposits with banks and funds deployed with financial institutions under various Mutual Fund Schemes and Money market instruments. We continue to be debt-free and maintain adequate liquidity to meet our operational requirements.

There was no outstanding term loan at the beginning or at the end of financial year 2021-22. No fresh Term Loan was availed by the Company during the year. The Company has not availed any working capital facility from Banks during the year.

Directors and Key Managerial Personnel

(i) Directors liable to retire by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pares V. Chothani (DIN: 00218632) whose office is liable to retire by rotation at the ensuing Annual General Meeting, being eligible, seeks reappointment. Based on performance evaluation and the recommendations of the Nomination and Remuneration Committee, the Board recommends his reappointment.

(ii) Appointment/Re-appointment

Pursuant to the provisions of sections 149 and 161 of the Companies Act, 2013 read with Regulation 17(1) (c) of Listing Regulations, 2015 and on recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Paresh Chothani as an Additional Director in the capacity of Wholetime Director of the Company with effect from 26th November, 2021.

The shareholders of the Company through Postal Ballot process on 12th February, 2022 approved the Special Resolution for appointment of Mr. Paresh V. Chothani as Wholetime Director designated as Executive Director of the Company for a period of 3 years with effect from 26th November, 2021, liable to retire by rotation.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 30th June, 2022 appointed Mr. Alok P. Shah (DIN: 00218180) as an Additional Director of the Company with immediate effect, who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") and is eligible for appointment. Further, the Board of Directors subject to approval of shareholders of the Company approved the appointment of Mr. Alok P. Shah as Managing Director of the Company for a period of 3 years with effect from 1st July, 2022.

On the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Deepak N. Shah as an Additional Director in the capacity as Independent Director with effect from 11th August, 2022.

A brief resume of directors being appointed / re-appointed along with the nature of their expertise, their shareholding in your Company and other details as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended as an annexure to the Notice convening the 76th AGM to be held on 13th September, 2022.

Necessary Resolutions for the appointment/re-appointment of the aforesaid Directors have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the Notice. The Board recommends their appointment/re-appointment.

(iii) Resignation / Retirement

Mr. Manikant R. Momaya (DIN: 00023993), Managing Director of the Company resigned as member of the Board with effect from 28th April, 2022 due to advanced age. Mr. Momaya joined the Board in October, 2000. He has enjoyed a long and mutually rewarding association of more than 20 years with the Company.

Further, Mr. Yogesh C. Papaiya (DIN: 0023985) retired from the post of Wholetime Director and CFO of the Company on expiry of his term on 10th August, 2022. He has been a member of the Board for more than two decades. Consequently, he ceased to be the member of the Audit Committee, Stakeholders Relationship Committee and CSR Committee of the Board from the said date.

The Company has immensely benefited from their contribution, endeavours and guidance. The Board of Directors places on record their deep sense of appreciation and gratitude to Mr. Manikant Momaya and Mr. Yogesh Papaiya for the invaluable contributions and guidance provided by them during their tenure with the Company as a member of the Board.

Key Managerial Personnel (KMP)

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Manikant R. Momaya, Managing Director, Mr. Yogesh C. Papaiya, Wholetime Director & Chief Financial Officer and Mr. Chinmay M. Methiwala, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Company during the year under review.

Consequent to the retirement of Mr. Yogesh C. Papaiya as Wholetime Director and CFO of the Company with effect from 10th August, 2022, the Board of Directors of the Company at their meeting held on 11th August, 2022 approved the appointment of Mr. Chandresh S. Punjabi as Chief Financial Officer (CFO) of the Company designated as Key Managerial Personnel, with immediate effect.

Independent Directors

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of auditing, tax, financial, corporate governance, business management etc. and that they hold the required standards of integrity.

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1) (b) 'the Listing Regulations'. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Directors, other than payment of remuneration to the Executive Directors and payment of sitting fees to Non-executive Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Appointment and Tenure of the Independent Directors, including code for Independent Directors are available on the website of the Company, 'www.surattextilemillsLtd.com'.

Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 25th March, 2022.

The Independent Directors at the meeting, inter alia, reviewed the following:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Board, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed 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.

Familiarization / Orientation program for Independent Directors

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("SEBI Listing Regulations"), during the year under review, your Company imparted familiarization programmes for its Directors including Industry Outlook at the Board Meetings, Regulatory updates at Board and Audit Committee Meetings covering changes with respect to the Companies Act, SEBI Regulations and other tax regulations etc.

These programmes aim to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

Pursuant to Regulation 46, the details required are available on the website of your Company at 'http://www.surattextilemillsLtd.com/policies.aspx'.

Number of meetings of the Board

The Board met ten times during the financial year 2021-22. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

Committees of the Board

As on 31st March, 2022, the Board had four committees: the audit committee, the corporate social responsibility committee, the nomination and remuneration committee and stakeholder's relationship committee. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. The policy is also in compliance to Regulation 19 read with Schedule II, Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation of the Board, its Committees and individual Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at separate meetings of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Code of Conduct for Directors and Senior Management

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2021-22. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report. The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations, 2015.

Code for Prevention of Insider Trading

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at '<http://www.surattextilemillsLtd.com/policies.aspx>'.

Procedure for Nomination, Appointment & Remuneration of Directors

The Nomination and Remuneration Committee (NRC) has been mandated to oversee and develop competency requirements for the Board based on the industry requirements and business strategy of the Company. The NRC reviews and evaluates the profiles of potential candidates for appointment of Directors and meets them prior to making recommendations of their nomination to the Board.

Directors are appointed / re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. The initial appointment of Managing / Wholtime Director is generally for a period of 3-5 years. All Directors other than Independent Directors are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and are eligible for re-appointment.

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as required 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 from time to time, are provided as **"Annexure C"**.

None of the directors or Managing Director of the Company received any remuneration or commission from Subsidiary Companies of your Company.

The detail of remuneration paid to the Directors including the Managing Director of the Company is provided in Corporate Governance Report.

Auditors

Statutory auditors

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders.

In line with the requirements of the Companies Act, 2013, Statutory Auditor M/s Sharp & Tannan Associates, Chartered Accountants (ICAI Firm Registration Number 109983W) were appointed as Statutory Auditor of the Company at the 71st AGM held on 2nd August, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 76th AGM to be held in the year 2022. The term of office of M/s Sharp & Tannan Associates, as Statutory Auditors will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the audit committee, at its meeting held on 11th August, 2022, reappointed M/s Sharp & Tannan Associates, Chartered Accountants (ICAI Firm Registration Number 109983W) as the Statutory Auditor of the Company to hold office for a second term of five consecutive years from the conclusion of the 76th AGM till the conclusion of the 81st AGM to be held in the year 2027 and will be placed for the approval of the shareholders at the ensuing AGM.

As required under provision of Section 139(1) of the Companies Act, 2013 the Company has received a written consent from M/s. Sharp & Tannan Associates for their appointment and a certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment as statutory auditors of the Company.

There are no qualifications, reservations, adverse remarks or disclaimer made in the audit report for the Financial Year 2021-22.

The Board recommends their reappointment to the shareholders. The notice convening the 76th AGM to be held on 13th September, 2022 sets out the details.

Cost records and cost audit

Pursuant to Section 148(2) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, had appointed M/s P. M. Nanabhoy & Co., Cost Accountants, (Firm Registration Number 000012), as Cost Auditor of the Company for conducting the Cost Audit for the Financial Year 2021-22.

The Cost Audit Report for the financial year 2021 was filed with the Ministry of Corporate Affairs on 31st October, 2021 vide SRN T57084014.

During the year under review, the manufacturing activities of the Company at its plant village Jolwa remained suspended since May, 2021. Moreover, the Company has disposed of all its Assets along with Land, Building and Plant and Machineries of Jolwa manufacturing division in April, 2022. Further, in the opinion of the Board, the Company has no plans to undertake any such manufacturing activities during 2022-23.

Therefore, maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company for the FY 2022-23.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Mr. Jigar Vyas Practising Company Secretary (ICSI Membership No.FCS 8019) has been submitted to the Stock Exchanges within the stipulated time, in compliance with the provisions of the Regulation 24A of SEBI (LODR) Regulations, 2015.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules made thereunder the Board of Directors of the Company have appointed M/s Aadil Aibada & Associates (ICAI Membership No.045310), Chartered Accountants as Internal Auditors of the Company, for the financial year 2022-23.

The Internal Audit department carries out risk-focused audits across all locations, enabling identification of areas where risk management processes may need to be strengthened. Significant audit observations and corrective action plans are presented to the Audit Committee.

The audit committee in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(1)(c) read with Section 134(5) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2021-22.

Accordingly, pursuant to Sections 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts for the Financial Year ended March 31, 2022 on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance Report

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section is given in 'Annexure G' and forms part of this Report. The required certificate from a Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated in the Regulation 34 of the Listing Regulations, is annexed to this Annual Report.

Corporate Social Responsibility (CSR)

In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board. The CSR Committee comprises of Mr. Ketan Jariwala as the Chairman, Mr. Harishchandra Bharucha and Mr. Yogesh C. Papaiya as Members.

The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility. The CSR Policy includes any activity that may be prescribed as CSR activity as per the Rules of the Companies Act, 2013. The CSR Committee met on 31st March, 2022 to review the Corporate Social Responsibility Policy.

The Company works primarily towards supporting projects in the areas of protection of national heritage, restoration of historical sites, and promotion of art and culture; environmental sustainability and ecological balance; promoting education etc.

During the year under review, your Company spent Rs.26.47 Lakhs on CSR activities. The average net profit for the past three financial years was Rs.1312.00 Lakhs.

Annual Report on mandatory CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is given in 'Annexure B' forms integral part of this Report.

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at '<http://www.surattextilemillsltd.com/policies.aspx>'.

Related Party Transactions

All Related Party Transactions that were entered into during the Financial Year under review were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations.

The statement giving details of all Related Party Transactions are placed before the audit committee / the Board for review and approval on a quarterly basis. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for these transactions cannot be foreseen in advance.

Details of transactions with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in 'Annexure F' in Form AOC - 2 forms integral part of this Report.

Pursuant to Regulation 23(9) of the Listing Regulations your company has filed half yearly report on Related Party Transactions with the stock exchanges.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which has been uploaded on the Company's website which can be accessed at following link '<http://www.surattextilemillsltd.com/policies.aspx>'.

Internal Financial Control System and their Adequacy

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

Your Company has in placed adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. The internal audit report is discussed with the Management and members of the Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures.

Statutory Auditors of the Company have in their Report dated 30th May, 2022, opined that the Company has, in all material respects adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022.

Material changes and commitments

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report, except that the Company had executed a term sheet on 1st January, 2022 for sale of assets of its Jolwa manufacturing division, Taluka Palsana, Dist. Surat. The transaction was ultimately completed on 29th April, 2022 on execution of necessary definitive agreements after obtaining requisite approvals of shareholders of the Company.

Significant and Material Orders passed by the Regulators/ Proceedings

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and the Company's operations in the future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor has the Company done any one time settlement with any Bank or Financial institutions.

Compliance with the provisions of Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the financial year under review the Company was in compliance with Secretarial Standards i.e. SS-1 and SS-2 relating to "Meetings of Board of Directors" and "General Meetings" respectively.

Board policies

The details of the policies approved and adopted by the Board as required under the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) regulations are provided in Corporate Governance Report.

Policy on Directors' Appointment and Remuneration

The Nomination & Remuneration Committee of Directors has approved a Policy for the Selection, Appointment and Remuneration of Directors, which inter-alia, requires that the Directors shall be of high integrity with relevant expertise and experience to have a diverse Board. The Policy also lays down the positive attributes, criteria while recommending the candidature for the appointment of a new Director.

The main objective of the said Policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMPs and Senior Management employees.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of a director and other matters, as required under sub-regulation 3 of Section 178 of the Companies Act, 2013 is annexed herewith as '**Annexure D**' forms integral part of this Report and available on the website at '<http://www.surattextilemillsltd.com/policies.aspx>'.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and the rules made thereunder. The Company has zero tolerance for sexual harassment at workplace.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Policy of the "Prevention of Sexual Harassment of Women at Workplace" of the Company is available on the website of the Company at '<http://www.surattextilemillsltd.com/policies.aspx>'.

Internal complaints committee

The Company has constituted an Internal Complaints Committee (ICC) under section 4 of the Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013, to consider and resolve all sexual harassment complaints reported by women. The ICC has been constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the committee includes external members from NGOs or with relevant experience.

Indian Accounting Standard (Ind AS)/Financial Statements

Your Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements. Your Company has consistently applied applicable Accounting policies during the year under review. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses its financial results on a quarterly basis which are subjected to limited review and publishes audited financial results on an annual basis.

Particulars of Employees and Related Disclosures

During the financial year 2021-22, none of the employee of the Company was in receipt of remuneration prescribed in terms of the provision of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Whistle Blower Policy / Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors' and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism and provides to employees' direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the Website of the Company at '<http://www.surattextilemillsltd.com/policies.aspx>'.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are given in 'Annexure A' forms integral part of this Report.

CEO and CFO certification.

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Managing Director and CFO Certification forms part of the Annual Report. Managing Director and CFO also provide quarterly certification on financial results, while placing the financial results before the Board in terms of the Listing Regulations.

Health, safety and environment

Your Company believe that organisations' sustainability is directly proportional to the safety, health and environment management. We endeavour to demonstrate environmental and social responsibility at every step.

We are devoted to benefit communities – workforce, public and environment. Our safety, health and environment objectives include complying with all applicable laws relevant to the industry. The Management believes in sharing responsibility throughout the hierarchy in conforming to the existing laws.

The Company obtained necessary approvals from concerned Government Department / Pollution Control Board and all required environment clearances / safety clearances / stipulations are complied with at Plant facilities of the Company.

Green Initiatives

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 76th Annual General Meeting of the Company including the Annual Report for FY 2021-22 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified.

Risk Management

Your Company periodically assesses the risks in the internal and external environment along with treating the risks and incorporates risk management plans in its strategy, business and operational plans.

Your Company recognizes that the risk is an integral part of business and is committed to managing the risks in proactive and efficient manner.

The business plan for the future are devised and approved by the Board keeping in mind the risk factors which can significantly impact the performance of the particular business. All major financial commitments are subject to scrutiny by the Board and investments are permitted only on being satisfied about its returns or utility to the Company. There are no risks which in the opinion of the Board threaten the existence of the Company.

Insurance

The Company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and also as required under the various legislative enactments.

Public Deposits

Your Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013. Hence, the disclosures required as per Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to your Company.

Key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes in key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

Sr. No.	Particulars	FY 2021-22	FY 2020-21
1	Debtors Turnover Ratio (times)	17.87	48.60
2	Inventory Turnover Ratio (times)	3.37	13.40
3	Current Ratio (times)	11.64	35.76
4	Debt Equity Ratio (times) *	--	--
5	Operating Profit Margin (%)	(0.45)	9.79
6	Net Profit Margin (%)	(0.26)	13.28
7	Return on Net Worth (%)	(0.03)	12.61

* The Company has no long term debt.

The manufacturing operations of the Company at its Polymerisation plant at Jolwa remained suspended since May 21, Hence the Ratios for FY2021 and FY2022 are not comparable.

Particulars of Loans, Guarantees and Investments

Disclosures with respect to Loans, Investments and Guarantees covered under the provisions of Section 186 of the Act are not applicable since the Company has not granted any loan, made any investment and provided any guarantees and securities to the parties covered under Section 185 and 186 of the Act.

Annual Return

In accordance with the provisions of the Companies Act, 2013, the annual return will be hosted on website of the Company at '<http://www.surattextilemillsLtd.com>' after necessary certification and filing the same with the authority.

Business Responsibility Report

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ended 31st March, 2022.

Other Disclosures / Reporting

Your Directors state that no disclosure or reporting is required in respect to the following items, as there were no transactions pertaining to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme or ESOPs.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company(as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3) (c) of the Companies Act, 2013).
4. There was no revision in the financial statements.

Forward Looking Statement

Certain statements made in the Directors Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied.

Several factors could make significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, natural calamities over which the Company may not have any direct / indirect control.

Appreciation

Your Directors wish to acknowledge the co-operation and assistance extended to the Company by the Company's Bankers and State & Central Government agencies.

Your Directors also acknowledge with gratitude the support of customers, agents, suppliers and all other stakeholders for their continued faith and support, during these challenging times.

The Board of Directors also wish to place on record its sincere appreciation for the committed services by the Company's executives, staff and workers. Your Directors also appreciate and acknowledge the confidence reposed in them by shareholders and other investors of the Company.

For and on behalf of the Board of Directors

Surat, 11th August, 2022

Alok P.Shah
Managing Director
DIN: 00218180

Annexure – A

TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2022 is given below and forms part of the Directors' Report.

A. CONSERVATION OF ENERGY

During the year under review, for major part of the year the manufacturing activities of the Company remained suspended due to prevailing covid situation and the other parameters which restricted the Company to restore the manufacturing operations at its plant Village Jolwa, Taluka Palsana, Dist. Surat

- I. Steps taken or impact on conservation of energy.
 - Energy conservation is an ongoing process in our organisation. Continuous monitoring, planning, development and modifications for energy conservation are done at the plants.
 - The Company continued efforts for improving energy efficiency through innovative measures to reduce wastage and optimize consumption.
 - Maintenance of the machines as per schedule.
 - Energy Audit is also being carried out by external agencies.
- II. The steps taken by the company for utilising alternate sources of energy.
 - The Company makes an ongoing study to identify and implement energy saving system to reduce energy consumption and cost of production.

- III. The Capital investment on energy conservation equipment.

The Company has not incurred major capital investment on energy conservation equipments but focused on optimum utilisation of available resources.

B. TECHNOLOGY ABSORPTION

- I. The efforts made by the Company towards technology absorption

The Company made required efforts for productivity enhancement and development of new products in polyester chips segment.
- II. The benefits derived like product improvement, cost reduction, product development or import substitution.
 1. Reduce maintenance and operating cost at manufacturing level in chips segment.
 2. Improvement in quality, customer satisfaction and enlargement of market base.
- III. Information regarding imported technology

(imported during the last three years reckoned from the beginning of the financial year)

 1. Technology imported : NIL
 2. Year of Import : Not applicable.
 3. Has the technology been fully absorbed : Not applicable.

IV. The expenditure incurred on Research and Development.

During the year under review there were no major expenses pertaining to Research and Development incurred by the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Foreign Exchange Earned	Nil	111.73
Foreign Exchange Used	Nil	Nil

Annexure - B

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	(a) Focus areas: The Company supports various bodies in carrying out activities in the areas of rural development, education, health care etc. (b) CSR Objectives: To attain its CSR objectives in a professional and integrated manner, the main objectives are: (1) To promote, carry out, support activities relating to Education and Training, Health care, Employment enhancing Vocational skills, Conversion of Natural Resources and Promotion & Development of Art etc. (2) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013 as amended from time to time. (3) Ensuring protection and restoration of wildlife within the scope of operations (4) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance of works of art. During the financial year 2021-22, the Company has contributed for activities undertaken by the registered agency in compliance with the provisions of the Companies Act, 2013, for the above objectives comprising of promoting child education in tribal areas, conservation of natural resources, protection of national heritage, art and culture etc. (c) Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and the various notifications / circulars issued by the Ministry of Corporate Affairs, the Company has also adopted a CSR policy in compliance with the aforesaid provisions and the same is placed on the Company's website at www.surattextilemillsltd.com
2	Composition of CSR Committee	The CSR Committee comprises the following members: a. Mr. Ketan Jariwala, Independent Director - Chairman b. Mr. Harishchandra Bharucha, Independent Director - Member c. Mr. Yogesh C. Papaiya, Wholetime Director & CFO - Member During the financial year 2021-22, one meeting of CSR Committee was held on 31st March, 2022. All the members attended the meeting.
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.	Web-Link to the CSR Policy: http://www.surattextilemillsltd.com/policies.aspx

4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.	Not applicable.	
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.	Financial year	Amount available for set-off from preceding financial years
		2018-19	Nil
		2019-20	Nil
		2020-21	Rs.0.09 Lakhs
6	Average Net Profit of the Company for last three financial years (as per Section 198 of the Companies Act, 2013)	Rs.1312.00 Lakhs	
7	Prescribed CSR Expenditure (two per cent of the amount as in item 6 above)	Rs.26.24 Lakhs	
8	Details of CSR spent during the financial year		
	(a) Total amount to be spent for the financial year.	Rs.26.24 Lakhs	
	(b) Amount unspent, if any.	Nil	
	(c) Manner in which the amount spent during the financial year.	The Company has spent an aggregate amount of Rs.26.24 Lakhs for conservation of natural resources, protection of national heritage, art and culture etc.	
9	Excess Amount for set off, if any		
	(i) Two percent of average Net Profit of the Company as per Section 135(5) of the Act	Rs.26.24 Lakhs	
	(ii) Total amount spent for the Financial Year	Rs.26.47 Lakhs	
	(iii) Excess amount spent for the Financial Year [(ii)-(i)]	Rs.0.23 Lakhs	
	(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil	
	(v) Amount required to be set off in succeeding financial years [(iii)-(iv)]	Rs.0.23 Lakhs	
10	(a) Details of Unspent CSR Amount for the preceding three financial years.	Nil	

	(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s)	Nil
11	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.	Nil
12	Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act.	Not applicable.

Responsibility statement:

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy has been carried out with all reasonable care and diligence and the same is in compliance with the CSR objectives and the policy of the Company.

Surat, 30th June, 2022

Yogesh C. Papaiya
Wholtime Director
(DIN 00023985)

Ketan Jariwala
Chairperson - CSR Committee
(DIN 02095540)

Annexure - C

Particulars of employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirement under Rule 5(1)	Details
1.	The Ratio of the remuneration of each executive Director to the median remuneration of the employees of the Company for the Financial Year.	(1) Mr. Manikant R. Momaya Managing Director: 0.74 (2) Mr. Yogesh C. Papaiya Wholetime Director & CFO: 2.51 (3) Mr. Paresh V. Chothani Wholetime Director: 1.05
2.	The Percentage increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer & Company Secretary in the financial year.	(1) Mr. Manikant R. Momaya Managing Director: No increment was proposed during the year (2) Mr. Yogesh C. Papaiya Wholetime Director & CFO: No increment was proposed during the year (3) Mr. Paresh V. Chothani Wholetime Director: Not applicable. (4) Mr. Chinmay Methiwala, Company Secretary: Joined with effect from 1st April, 2021. No increment was proposed during the year.
3.	The Percentage increase in the median remuneration of employees in the financial year.	Not applicable.
4.	Number of Permanent Employees on the rolls of the Company as on 31st March, 2022.	35
5.	The Explanation on the relationship between average increase in remuneration and Company performance.	Not applicable.
6.	Comparison of the remuneration of the Key Managerial Personnel ("KMP") (Individually and totally) against the performance of the company.	(i) Aggregate remuneration of Key Managerial Personnel in FY 2022: Rs.43.55 Lakhs (ii) Total revenue: Rs.2294.74 Lakhs (iii) Remuneration of KMPs (as percentage of revenue): 1.90 (iv) Profit / (Loss) before tax: (Rs.102.53) Lakhs (v) Remuneration of KMPs (as percentage of PBT): Not applicable * Remuneration of KMPs includes Managing Director / Wholetime Director and Company Secretary.

7.	Average percentile increase made in the salaries of employees other than the managerial personnel in last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not applicable.
	Justification for variation in the average percentile increase between Non Managerial employees and Managerial employees.	Not applicable.
8.	Key parameters for any viable component of remuneration availed by the Directors.	Not applicable.
9.	Ratio of the remuneration of the highest paid director to that the employees who are not directors but received in excess of the highest paid director during the year.	Not applicable.
10.	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms remuneration is as per the remuneration policy of the Company.
11.	Variations in the market capitalization.	Market capitalization as on 31/03/2022: Rs.355.97 Crore. Market capitalization as on 31/03/2021: Rs.76.39 Crore.
12.	Price earnings ratio as at the closing of 31st March, 2022 and 31st March, 2021.	31/03/2022: -84.36 31/03/2021: 5.29
13.	Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	The Company has not made any public issue or rights issue of securities since last more than 20 years, so comparison have not been made.

For and on behalf of the Board of Directors

Surat, 11th August, 2022

Alok P. Shah
Managing Director
DIN: 00218180

ANNEXURE: D

POLICY RELATING TO THE REMUNERATION FOR THE WHOLETIME DIRECTOR, NON-EXECUTIVE/INDEPENDENT DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

General:

1. The remuneration / compensation / commission etc. to the Wholetime Director, Non-Executive/ Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Wholetime Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Companies Act, 2013, and the Rules made thereunder.
3. Increments to the existing remuneration / compensation structure linked to performance, should be clear and meet appropriate performance benchmarks and may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Wholetime Director.
4. The Committee does not propose to fix the actual amounts of remuneration that may be payable to each individual key managerial personnel or senior management personnel. However, the management, whilst fixing the remuneration of any such key personnel must consider the following:
 - a) The Industry practice for the same level of employment/office.
 - b) Past performance/seniority of the concerned appointee.

- c) The nature of duties and responsibilities cast upon such person by reason of his holding that office.
- d) The remuneration should be such that it provides adequate incentive to the person to give his best to the Company and feel essence of high satisfaction with his employment.
- e) The perquisites to be given to Wholetime Director/s, KMP & Senior Management Personnel will be as per industry practice and as may be recommended by the Committee to the Board.

Remuneration to Wholetime Director, KMP and Senior Management Personnel:

The Wholetime Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

Remuneration to Non- Executive / Independent Director:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amount prescribed in this behalf by the Central Government from time to time.

The Company has no stock option plans and hence such instrument does not form part of the remuneration package to any Executive Director and/or Non-Executive Director.

Annexure - E

FORM NO. MR-3

Secretarial Audit Report for the year ended 31st March, 2022

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

To,
The Members,
Surat Textile Mills Limited
 Tulsi Krupa Arcade, 6th Floor,
 Puna-Kumbharia Road, Dumbhal,
 Surat 395010

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SURAT TEXTILE MILLS LIMITED** (CIN: L17119GJ1945PLC000214) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2022** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company including website of the listed company for the Financial Year ended on **31st March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable as the Company had no such investments and borrowings during the Financial Year under review);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- **(Not Applicable as the Company did not issue any security during the Financial Year under review);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;- **(Not Applicable as the Company does not have Employees Stock Option Scheme for its employees);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- **(Not Applicable as the Company has not issued any debt securities during the Financial Year under review);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- (Not Applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Financial Year under review).

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- (Not Applicable as the Company has not delisted its equity shares from any stock exchange during the Financial Year under review);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- **(Not Applicable as the Company has not done any buy back of its securities during the Financial Year under review); and**
- (vi) The management has identified and confirmed the other laws specifically applicable to the company and has devised a proper system to comply with the provisions of the respective Acts, Rules and Regulations;

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company. I report that during the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned except that there was a delay in compliance with respect to Regulation 17 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, which was complied during the period under review and to the extent that:

1. During the year under review, the Company appointed an Additional Director w.e.f. 26th November, 2021 in compliance to Regulation 17 (1) (c) of SEBI (LODR) Regulations, 2015 as amended, being amongst the top 2000 listed entities, to have not less than six directors.

The Company also paid the fine within the stipulated time, as imposed by the BSE Limited in accordance with SEBI (LODR) Regulations, 2015.

I 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 including one Woman Director.

The changes in the composition of the Board of Directors that took place during the Year under review were carried out in compliance with the provisions of the Act.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that on the basis of the Compliance Certificate(s) issued by the Managing Directors, Wholtime Director and CFO and the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion 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 etc.

As informed, the Company has responded to notices for demand, claim, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

I further report that during the Financial Year under review, there were no other specific events actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs, except the following:

1. During the financial year, as directed by the Hon'ble NCLT Ahmedabad Bench vide it's Order dated 16th August, 2021, in response to the Company's application to Hon'ble NCLT seeking appropriate directions for convening and holding of the meeting of the Equity Shareholders of the Company (Applicant Transferee Company), the Company has convened meeting of its shareholders on 7th October, 2021 and approved the Scheme of Arrangement between Vareli Trading Company Limited (Applicant Transferor Company) and Surat Textile Mills Limited (the Transferee Company) with requisite majority. This is subject to approval of NCLT.

2. In response to the Company's application for Re-classification of Garden Silk Mills Limited from the 'Promoter and Promoter Group' category to the 'Public' category, BSE Limited granted its approval on 11th January, 2022, in accordance with the provisions of Regulation 31(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on submissions made by the Company.
3. The shareholders of the Company by way of postal ballot process on 12th February, 2022, through requisite majority approved the proposal for sale / transfer of Assets of Jolwa manufacturing division of the Company together with all specified tangible and intangible assets, including land, building, plant and machineries and other assets in relation to the Undertaking by way of an asset transfer on a going concern basis on an 'as is, where is and what is' to Garden Silk Mills Private Limited (Erstwhile Garden

Silk Mills Limited) for an agreed consideration or in any other manner as the Board may deem fit in the interest of the Company on such terms and conditions set out in the term sheet and other agreements executed or to be executed by the Company with the Buyer. Pursuant to the aforesaid approval, the Company executed the necessary definitive agreements with the buyer on 29th April, 2022.

For **Jigar Vyas & Associates**
Company Secretaries

Sd/-
Jigar Vyas
Proprietor

Place: Surat
Date: 12th May, 2022

FCS No.: 8019 C.P. No.: 14468
UDIN: F008019D000310420

This report to be read with my letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Surat Textile Mills Limited
 Tulsi Krupa Arcade, 6th Floor,
 Puna-Kumbharia Road, Dumbhal,
 Surat 395010

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/Managing Director, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. I further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial auditor and other designated professionals.

For **Jigar Vyas & Associates**
 Company Secretaries

Sd/-

Jigar Vyas
 Proprietor

Place: Surat
 Date: 12th May, 2022

FCS No.: 8019 C.P. No.: 14468
 UDIN: F008019D000310420

Annexure – F

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)

Material Related Party Transactions

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.

I. Details of contracts or arrangements or transactions not at arm's length basis:

Surat Textile Mills Limited ('the Company') has not entered into any contracts / arrangement / transaction with its related party which are not in ordinary course of business or at arm's length during the Financial Year 2021-22. The Company has laid down policies and processes / procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules.

II. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis during Financial Year 2020-21 are as follows.

Sr. No.	Name of the Related Party and Relationship	Nature of Transaction	Duration	Salient Terms	Amount (Rs. in Lakhs)
1	Garden Silk Mills Limited (Group Company)	Electric power and other utilities	Ongoing	On arm's length basis and in ordinary course of business.	0.00
2	Garden Silk Mills Limited (Group Company)	Others miscellaneous purchases	Ongoing	On arm's length basis and in ordinary course of business.	0.00
3	Garden Silk Mills Limited (Group Company)	Revenue from operations	Ongoing	On arm's length basis and in ordinary course of business.	0.00
4	Garden Silk Mills Limited (Group Company)	Leave and Licence Fees and Reimbursement Expenses	Ongoing	On arm's length basis and in ordinary course of business.	0.00
5	Sorrento Textiles Private Limited (Group Company)	Leave and Licence Fees and Reimbursement Expenses	Ongoing	On arm's length basis and in ordinary course of business.	81.89

Appropriate approvals have been taken for related party transactions. No advances have been paid or received against the transactions mentioned above.

For and on behalf of the Board of Directors

Yogesh C. Papiya
Wholetime Director
DIN: 00023985

Surat, 30th June, 2022

ANNEXURE – G**REPORT ON CORPORATE GOVERNANCE**

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'), given below are the corporate governance policy and practices adopted by the Company for the year 2021-22.

1. Company's Philosophy on Code of Governance:

Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation.

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board.

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations" and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India (SEBI).

2. Board of Directors and Governance Framework:**(i) Composition of the Board**

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value.

The Board composition is in conformity with Regulation 17 of Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of March 31, 2022, comprised of 6 Directors, out of which 3 were Executive Directors and 3 were Non-Executive Directors. All the Non-Executive Directors are Independent Directors.

None of the Directors of the Company are related to each other and there are no inter-se relationships between the Directors. As on 31st March, 2022, none of the Directors hold equity shares in the Company. The Company has not issued any convertible instruments.

All Directors are in compliance with the limit on Directorships /Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

The Company has received declarations on criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on 31st March, 2022.

The Board regularly reviews and updates Corporate Governance practices to accommodate developments within the market place in general and the business in particular.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board.

The Independent Directors of the Company are in compliance with the provision of Regulation 16(2) of SEBI Listing Regulations, 2015. Further, disclosures have been made by the Directors regarding their Chairmanship / Membership of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 16(2) of SEBI Listing Regulations, 2015.

(ii) Number of meetings of the Board.

During FY 2021-22, ten meetings of the Board were held. The said meetings were held on 03/06/2021, 16/06/2021, 13/08/2021, 01/09/2021, 27/10/2021, 12/11/2021, 26/11/2021, 01/01/2022, 06/01/2022 and 11/02/2022. Minutes of the meetings of all the Board and Committees are circulated to all the Directors. The gap between any two meetings has been less than one hundred and twenty days.

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis. The Company Secretary under the direction of the Chairman and in consultation with Chief Financial Officer (CFO) prepares the agenda along with the explanatory notes thereto and circulates it to the Directors, along with the notice of the meeting.

The composition and category of Directors, the number of Directorships and Committee Chairmanships / Memberships held by them and Directorships held by them in other listed entities as on 31st March, 2022:

Name	Category	No. of Board Meetings attended #	Attendance at the last AGM held on 20/07/2021	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies *
Mr. Manikant R. Momaya	Managing Director	10	Yes	N.A.	N.A.
Mr. Yogesh C. Papaiya	Wholetime Director & CFO	10	Yes	N.A.	N.A.
Mr. Harishchandra B. Bharucha	Non-executive, Independent	10	Yes	N.A.	N.A.
Mr. Ketan Jariwala	Non-executive, Independent	10	Yes	N.A.	N.A.
Ms. Kruti Kothari	Non-executive, Independent	10	Yes	N.A.	N.A.
Mr. Paresh V. Chothani*	Wholetime Director	3	Not applicable.	N.A.	N.A.

* appointed with effect from 26th November, 2021

excluding Independent Directors meeting.

* In accordance with SEBI Listing Regulations, 2015, Memberships / Chairmanships of only the Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Surat Textile Mills Limited) have been considered.

(iii) Chart / matrix setting out the skills/expertise/competence of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/ qualifications, professional background, sector expertise and special skills.

The following are the skills /expertise/competencies as identified by the Board:

Core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills / expertise / competence
Finance, Law, Management, Administration, Corporate Governance related to the Company's business	Mr. Yogesh C. Papaiya, Ms. Kruti Kothari, Mr. Pares V. Chothani
Technical Operations and knowledge on Production, Processing, Quality and Marketing of products	Mr. Manikant R. Momaya, Mr. Ketan A. Jariwala, Mr. Pares V. Chothani
Management, Strategy, Sales, Marketing, Administration Technical Operations related to the Company's business	Mr. Manikant R. Momaya, Mr. Harishchandra Bharucha, Mr. Ketan A. Jariwala, Mr. Pares V. Chothani

(iv) Board Procedures

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board members to take informed decisions.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that the Terms of Reference /Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked.

Additionally, based on the agenda, meetings are attended by members of the senior leadership as invitees, which brings in the requisite accountability and also provides developmental inputs.

The Board periodically reviews the strategy, annual business plan, business performance of the Company and Risk Management, Safety, Business Sustainability and Environmental matters.

The Board also reviews the compliance reports of the laws applicable to the Company, Minutes of the Meeting of adoption of quarterly / half-yearly / annual results, minutes of committees of the Board etc.

The Board also reviews the declarations made by the Managing Director, the Wholetime Director & Chief Financial Officer and the Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports, on a quarterly basis.

The information as required under Part A of Schedule II to the Listing Regulations is also made available to the Board, wherever applicable, for their consideration.

Video conferencing facility is used as and when required to facilitate Directors at other locations to participate in the meetings.

(v) Code of Conduct

The Company has adopted the 'Code of Conduct' which is applicable to its employees, including the Managing and Executive Directors. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Act. Both these Codes are posted on the Company's website at the web link: <http://www.surattextilemillsltd.com>.

Personnel have affirmed compliance with the applicable Code of Conduct for the Financial Year 2021-22. A declaration to this effect, signed by the Managing Director & CFO, forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or Directors, its Senior Management.

(vi) Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code). All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code.

(vii) Independent Directors

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at the web link: <https://www.surattextilemillsltd.com>.

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

No Independent Director had resigned during the Financial Year 2021-22.

(a) Meeting of Independent Directors

A separate meeting of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives was held on 25th March, 2022 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors:

- (a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors;
- (c) assessed the quality, quantity and timeliness of flow of information between the Management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors of the Company attended the Meeting of Independent Directors held on 25th March, 2022. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

As required by Regulation 46 of the Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at <http://www.surattextilemillsltd.com>

(b) Familiarization Programme for Independent Directors

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

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

The details of the Familiarization Programme for Independent Directors for 2021-22 is disclosed on the Company's website at the web link: <http://www.surattextilemillsLtd.com>

(viii) Board and Directors' Evaluation and Criteria for Evaluation

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of Committees of the Board.

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report, which forms part of the Annual Report.

The Nomination and Remuneration Committee (NRC) has also formulated criteria for determining qualifications, positive attributes and independence of Directors in terms of Section 178(3) of the Act and the Listing Regulations.

3. Audit Committee

(i) Terms of Reference

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Ms. Kruti Kothari, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The terms of reference of the Audit Committee includes the matters specified under Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations. The terms of reference of the Audit Committee were amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Audit Committee may call for the Comments of the Auditors about internal control systems, the scope of Audit, including observations and review of financial statements before their submission to the Board and any related issues with internal and statutory auditors and management of the Company.

During the financial year 2021-22, the Audit Committee of the Company met five times on 03/06/2021, 13/08/2021, 12/11/2021, 01/01/2022, and 11/02/2022. The gap between two Audit Committee meetings did not exceed four months. The Committee, in its meeting held on 30th May, 2022 reviewed the Annual Accounts for the year ended 31st March, 2022.

The composition of the Audit Committee and the details of the meetings attended by its Members during the financial year ended 31st March, 2022 are as under:

Sr. No.	Name	Category of Director	No. of Meeting attended
1	Ms. Kruti Kothari	Non-Executive, Independent	5
2	Mr. Harishchandra Bharucha	Non-Executive, Independent	5
3	Mr. Yogesh C. Papaiya	Executive	5
4	Mr. Ketan Jariwala	Non-Executive, Independent	5

During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

Ms. Kruti Kothari, as Chairman of the Audit Committee was present at the 75th Annual General Meeting of the Company held on 20th July, 2021 held through video conference.

The Company Secretary acted as the secretary of the Audit Committee.

(ii) Internal Audit

The Company has adequate Internal Control and Internal Audit system commensurate with its size and nature of its Business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their reports to the Audit Committee for their consideration.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

(i) Terms of reference

The terms of reference of the NRC covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations.

(ii) Composition of the Committee and Attendance at meetings during the year

The Committee consists of three Independent Directors namely Mr. Harishchandra Bharucha as Chairman, Mr. Ketan Jariwala, Independent Director and Ms. Kruti Kothari. During the year 2021-22 one meeting of the members of Nomination and Remuneration Committee were held on 26/11/2021 wherein all the members were present.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 20th July, 2021.

(iii) Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the Financial Year 2021-22 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management, Stakeholders' Relationship and Corporate Social Responsibility Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

(iv) Remuneration Policy

On recommendation of Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the appointment and remuneration of the director, key managerial personnel (KMP) and other employees.

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity.

The Policy, inter-alia, includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of Directors, KMP and Senior Management.

The details of the remuneration policy are available on the website of the Company www.surattextilemillsLtd.com.

5. Remuneration to Directors

(i) Remuneration paid to Executive Directors during the financial year 2021-22

Name of Director	Salary & Perquisites
Mr. Manikant R. Momaya, Managing Director	8,40,240/-
Mr. Yogesh C. Papaiya, Whole time Director & CFO	28,71,122/-
Mr. Paresh V. Chothani, Whole time Director	2,00,131/-

(ii) Remuneration paid to Non-Executive Directors

The Company has paid sitting fees to Non-Executive directors for attending meetings of the Board, Audit Committee and other Committee meetings. The aggregate amount of sitting fees paid during the financial year 2021-22 was Rs. 9,12,500/-

The Company has no stock option plans and hence such instrument does not form part of the remuneration package to any Executive Director and/or Non-Executive Director.

6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations. Mr. Harishchandra Bharucha, Independent Director is the Chairman of this Committee.

Terms of reference

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations. The terms of reference of the SRC, inter-alia are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

Presently, the Stakeholder Relationship Committee comprises of Mr. Harishchandra Bharucha, Independent Director as Chairman and Mr. Yogesh C. Papaiya, Wholetime Director & CFO and Mr. Ketan Jariwala, Independent Director as its Members.

During the Financial Year 2021-22, the Committee met once on 03/06/2021. All the members were present at the meeting.

The Committee also oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of Investors' service. Mr. Chinmay Methiwala, Company Secretary is designated as Compliance Officer of the Company.

Further, as per regulation 40(2) of the Listing Regulation, a report on transfer of shares / deletion of name / issue of duplicate share certificates / transmission of securities is also placed at each meeting of the Board of Directors. The Company Secretary and Compliance Officer acted as the secretary to the committee.

During the Financial Year under review, 10 complaints were received and as on date all of them have been redressed / answered to the satisfaction of the shareholders. No investor grievance remained unattended / pending for resolution for more than 30 days and no request for share transfers and dematerialization received for the financial year under review was pending for more than the time limit prescribed under the SEBI (LODR) Regulations, 2015.

7. Corporate Social Responsibility Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 135 of the Companies Act, 2013.

The composition of the Committee of Directors comprises Mr. Ketan Jariwala, Chairman, Independent Director, Mr. Harishchandra Bharucha, Independent Director and Mr. Yogesh C. Papaiya, Wholetime Director as Members.

During the year 2021-22 the Committee met once on 31st March, 2022 to discuss the matters coming within the Committee's purview.

The Committee's prime responsibility is to assist the Board in discharging its social responsibility by way of formulating and monitoring implementation of the framework of corporate social responsibility policy. The terms of reference of the Corporate Social Responsibility are in accordance with the provisions of the Companies Act, 2013 and Rules made there under.

The Company has also adopted CSR policy in compliance with the aforesaid provisions and the same is placed on the Company's website at www.surattextilemillsltd.com.

8. Other Committees of Directors

Management Committee of the Board

The Board of Directors has constituted Management Committee of Directors to approve routine and specific matters delegated by the Board. The composition of the Committee of Directors comprises Mr. Yogesh C. Papaiya, Chairman, Mr. Harishchandra Bharucha and Mr. Ketan A. Jariwala as Members.

9. General Body Meetings / Postal ballots

(a) The details of last 3 Annual General Meetings held are as under:

Year	Venue	Date	Time
2020-21	Meeting held through Video Conferencing (VS) / Other Audio - Visual Means(OAVM)	20th July, 2021	03.00 p.m.
2019-20	Meeting held through Video Conferencing (VS) / Other Audio - Visual Means(OAVM)	22nd September, 2020	03.00 p.m.
2018-19	Registered Officer, Surat	3rd September, 2019	11.00 a.m.

All the resolutions set out in the respective Notices were passed by the requisite majority of the Members.

(b) Special Resolutions passed at the last 3 Annual General Meetings:

- Whether any special resolutions passed in the previous three AGMs: A Special Resolution was passed at the 75th Annual General Meeting held on 20th July, 2021 for alteration in the Object Clause of the Memorandum of Association of the Company.

- (ii) There were three Special Resolutions were passed at the 74th Annual General Meeting held on 22nd September, 2020. The agenda for Special Resolutions were re-appointment of Mr. Ketan A. Jariwala as an Independent Director for the second term of 4 years w.e.f. 26th August, 2020 upto 10th August, 2024, adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013 and adoption of new set of Memorandum of Association of the Company in conformity with the Companies Act, 2013.
- (iii) A Special Resolution was passed at the 73rd Annual General Meeting of the Company held on 3rd September, 2019 for re-appointment of Mr. Manikant R. Momaya as Managing Director of the Company for a further period of 3 years w.e.f. 1st June, 2019.
- (iv) Whether any special resolution is proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.
- (v) Procedure for Postal Ballot – Not Applicable

(c) Postal Ballot:

During the year 2021-22, the shareholders of the Company through postal ballot process approved the following resolution:

1. Appointment of Mr. Paresh V. Chothani as a Director of the Company – Ordinary Resolution.
2. Appointment of Mr. Paresh V. Chothani as a Wholetime Director of the Company for a period of 3 years – Special Resolution.
3. Approval for sale / transfer of assets of Jolva Division of the Company on a going concern basis. – Special Resolution.

The above resolutions were passed on 12th February, 2022.

10. Means of Communication:

- (i) The quarterly and annual financial results of the Company are uploaded on BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE website. The financial results are also published in 'Indian Express' (English) and 'Dhabkar' (Gujarati) newspapers and posted on the Company's website at www.surattextilemills.com. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., shareddepartment@stml.in.
- (ii) Management Discussion and Analysis report forms part of the Directors Report.

11. General Shareholder information:

(i) AGM: Date Time and Venue	Tuesday, 13th September, 2022 3:00 p.m. The Company is conducting AGM through VC / OAVM pursuant to the Circulars issued by MCA from time to time (collectively referred to as "MCA Circulars") and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
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(ii) Financial Calendar (tentative)	Board Meetings for approval of:	
	Financial Results for the first quarter ending June 30, 2022	Before August 14, 2022
	Financial Results for the second quarter ending September 30, 2022	Before November 14, 2022
	Financial Results for the third quarter ending December 31, 2022	Before February 14, 2023
	Financial Results for the fourth quarter and results for the year ending March 31, 2023	On or before May 30, 2023
(iii) Dates of Book Closure	Thursday, 8th September, 2022 to Tuesday, 13th September, 2022 (both days inclusive)	
(iv) Listing on Stock Exchange and Stock Code	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Tel: +91 22 22721233/34 Fax: +91 22 22721919 Stock Code: 530185	

The Company has paid Listing Fees for the Financial Year 2022 - 23 to BSE Limited, where the equity shares of the Company are listed.

(v) Market Price Data

The High/Low market price of the shares during the year 2021-22 at the BSE Limited are as under.

Month	High (Rs.)	Low (Rs.)
April, 2021	3.79	3.11
May, 2021	4.69	3.35
June, 2021	9.21	4.31
July, 2021	15.70	9.12
August, 2021	15.62	8.65
September, 2021	11.70	8.85
October, 2021	11.00	8.90
November, 2021	9.86	7.69
December, 2021	24.59	8.51
January, 2022	34.15	22.10
February, 2022	26.25	12.40
March, 2022	18.75	11.55

(vi) Registrar and Share Transfer Agents:

KFin Technologies Limited
 (Unit: Surat Textile Mills Limited)
 Selenium Tower B, Plot Nos. 31 & 32,
 Financial District,
 Serilingampally Mandal,
 Hyderabad 500032.
 State: Telengana, India.
 Email: einward.ris@kfintech.com
 Toll Free No. 1-800-309-4001

(viii) Share Transfer System:

Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact KFin Technologies Limited between Monday to Friday (except on bank holidays)

Share Transfer Physical System:

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

(ix) Dematerialization of Shares and Liquidity:

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

All the share related work is being undertaken by the company's Registrar & Transfer Agent. A Stakeholders Relationship Committee has been constituted to approve the share transfer, transmission, split and consolidation etc. of shares. The transfers which are complete in all respects are taken up for approval at least once in a fortnight and the transferred securities dispatched to the transferee within 21 days. The details of transfer / transmission approved by the Committee are noted by the Board at its next meeting.

(x) Distribution of shareholding as on 31st March, 2022:

Sr. No.	Category of Members	No. of Shares held	% of total Shares
1.	Promoters	152004917	68.45
2.	Indian Public	62270856	28.04
3.	Banks, Financial Institutions & Insurance Companies	500	0.00
4.	NRI's / Overseas Body Corporates	575865	0.26
5.	Bodies Corporate	6927469	3.12
6.	NBFC Registered with RBI	0	0
7.	Others (NSDL+CDSL) Clearing Members	284833	0.13
	TOTAL	222064440	100.00

(xii) Categorywise Summary of Holders / Holdings as on 31st March, 2022:

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1 - 5000	147509	99.01	42241933	19.02
5001 - 10000	924	0.62	6946342	3.13
10001 - 20000	325	0.22	4660852	2.09
20001 - 30000	90	0.06	2290711	1.03
30001 - 40000	41	0.03	1471339	0.66
40001 - 50000	29	0.02	1363694	0.61
50001 - 100000	39	0.03	2733345	1.23
100001 & above	22	0.01	160356224	72.21
TOTAL	148979	100.00	222064440	100.00

12. Other information / Disclosures

(i) Related Party Transactions

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. The policy on Related Party Transactions is hosted on the website of the Company.

Particulars of transactions between the Company and related parties as per Accounting Standard (AS) 18 – 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Audit and Accounts) Rules, 2014 are given under note No.32 of the annual accounts for the financial year 2021-22.

(ii) Disclosure of Accounting Treatments

The Company has adopted and prepared the accounts in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015 as amended and other recognised accounting practices and policies to the extent applicable.

(iii) Subsidiary Company

The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. Your Company has voluntarily formulated a Policy on Material Subsidiary as required under Regulation 24 of the SEBI Listing Regulations, 2015 and the Policy is hosted on the website of the Company.

(iv) MD/CEO/CFO Certification

As required under Regulation 17(8) of SEBI Listing Regulations, 2015, the CEO and CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended was placed before Board of Directors at its Meeting held on 30th May, 2022.

(v) Compliance officer

The Company Secretary is the Compliance Officer under Regulation 6 of the SEBI Listing Regulations, 2015 and other applicable SEBI Regulations and Rules.

(vi) Risk Management

Your Company has laid down procedure to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it. Details of Risk Management by the Company have been provided in the Directors' Report and Management Discussion and Analysis.

(vii) Statutory Compliance, Penalties and Strictures

There has neither been any non-compliance of any of the provisions of law by the Company nor any penalty or structure imposed by the Stock Exchange or SEBI or any other statutory authorities on any matters related to capital market during the last 3 years, except

- i. a fine of Rs.18,880/- including GST imposed by BSE Limited during the year 2020-21 for non-compliance of Regulation 27(2) and Regulation 31 of the SEBI (LODR) Regulations, 2015 with respect to delay in filing of quarterly Corporate Governance Compliance Report and quarterly Shareholding Pattern.
- ii. a fine of Rs.5,42,500/- and Rs.3,30,400/- including GST imposed by BSE Limited during the year 2021-22 for non-compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 pertaining to the composition of the Board during the period from 01/04/2021 to 26/11/2021.

(viii) Whistle Blower Policy / Vigil Mechanism:

The Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher levels of supervisors.

(ix) Preventing Conflict of Interests

Members of Board and Senior Management Team while discharging their duties, avoid their conflict of interest in the decision making process. The members of Board refrain themselves from any discussions and voting in transactions where they have concern or interest.

(x) Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company. During the year, the Code was amended to align it with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the revised Code, the Company also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and policy for Determination of Legitimate Purposes.

The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at <http://www.surattextilemillsLtd.com/policies.aspx>

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website.

(xi) Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carries out reconciliation of share capital Audit, on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(xii) Depository Services:

The Equity Shares of your Company are traded in compulsory dematerialised form by all the investors. The Company has entered into agreements with both the depositories viz., National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), enabling the investors to hold shares of the Company in electronic form through the depository of their choice.

(xiii) Dematerialisation of Shares:

219757869 Equity Shares aggregating to 98.96 % of the total Equity Capital is held in dematerialized form as on 31/03/2022 of which 77.49 % (172079897 Equity Shares) of total equity capital is held with NSDL and 21.47 % (47677972 Equity Shares) of total equity capital is held with CDSL as on 31/03/2022.

(xiv) Stock Exchange Intimations

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated to the Stock Exchanges by filing them with BSE through BSE Online Portal. They are also displayed on the Company's website at <http://www.surattextilemillsLtd.com/reportsfiling.aspx>

(xv) Letters and Reminders to Shareholders

The Company in terms of circular issued by SEBI time to time with respect to Updation of PAN and Bank details, mandating transfer of securities only in electronic form effective from 1st April, 2019, has communicated to the shareholders through notice of Annual General Meeting.

(xvi) Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds during the financial year ended 31st March, 2022. Accordingly requirement of obtaining credit rating is not applicable.

(xvii) Commodity price risk / Foreign Exchange Risk and Hedging Activity

The Company does not undertake commodity hedging activities. Exposure to commodity and commodity risks faced by the Company throughout the year is Nil.

(xviii) Outstanding GDRs/ADRs/Warrants

The Company has no outstanding GDRs/ADRs/Warrants as on 31st March, 2022.

(xix) Nomination:

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

(xx) Address for Correspondence:

For Transfer / Dematerialisation of Shares, Payment of Dividend on Shares and any other query relating to the shares of the Company.

(i)	For Shares held in Physical Form	KFin Technologies Limited (Unit: Surat Textile Mills Limited) Selenium Tower B, Plot Nos. 31 & 32, Financial District, Serilingampally Mandal, Hyderabad 500032. State: Telengana, India. Email: einward.ris@kfintech.com Toll Free No. 1-800-309-4001
(ii)	For query on Annual Report	Surat Textile Mills Limited Secretarial Department, Tulsi Krupa Arcade, 6th Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010
(iii)	For Shares held in Demat Form	Respective Depository Participants of the shareholders.

(xxi) Eliminate Duplicate Mailing

Members holding Equity Shares of the Company in more than one Folio in one name or with the same address as joint members of the Company, may authorize the Company to discontinue mailing of multiple Annual Reports.

(xxii) Equity Shares in the suspense account

During the year under review, there were no shares held in the demat suspense account/unclaimed suspense account. The Company has sent reminders to the shareholders to claim their shares returned undelivered and lying in physical form with the Company.

(xxiii) Secretarial Audit

Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

(xxiv) Certificate from Practising Company Secretary

Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate forms part of the annexure to Corporate Governance Report.

In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Jigar Vyas of M/s Jigar Vyas & Associates, Practicing Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2022.

(xxv) Certificate on Corporate Governance

The certificate on Corporate Governance is provided as **Annexure G** to the Board's report.

(xxvi) Web link for various documents.

The following documents/information are linked with the website of the Company i.e. www.surattextilemillsltd.com

Particulars	Web link
Code Of Conduct	http://www.surattextilemillsltd.com/CodeOfConduct.aspx
Annual Return	http://www.surattextilemillsltd.com/AnnualReturn.aspx
Familiarisation Programme for Independent Director	http://www.surattextilemillsltd.com/policies/STML%20IndDir%20Appoint%20Terms.pdf
Policy For Determining Material Subsidiaries	http://www.surattextilemillsltd.com/policies/STML%20policy-for-determining-material-subsidiaries.pdf
Policy for Related Party Transaction	http://www.surattextilemillsltd.com/policies/STML%20Policy%20for%20Related%20Party%20Transaction.pdf
Corporate Social Responsibility Policy	http://www.surattextilemillsltd.com/policies/Corporate%20Social%20Responsibility%20Policy.pdf
Whistle Blower	http://www.surattextilemillsltd.com/policies/STML%20whistle%20blower.pdf
Preservation of Documents and Archival Policy	http://www.surattextilemillsltd.com/policies/STML%20Policy%20on%20Prevention%20of%20Sexual%20Harassment%20at%20Workplace.pdf
Policy on Determination of Materiality of Events Information	http://www.surattextilemillsltd.com/policies/STML%20Policy%20on%20Determination%20of%20Materiality%20of%20Events%20Information.pdf
Code of Practices and Procedures for Fair Disclosure	http://www.surattextilemillsltd.com/policies/STML%20Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure.pdf

(xxvii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements and have not adopted non-mandatory requirements.

(xxviii) The Company does not have any material subsidiary company.

(xxix) Policy on dealing with related party transactions is available on the website of the Company.

(xxx) The Company does not have any foreign exchange exposure, therefore the company has not framed any such policy for activities related thereto.

(xxxi) Compliance of Discretionary requirements under Part E of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. **The Board:** The Chairperson does not maintain his separate office at the Company's expense.

2. **Shareholder Rights:** The Company publishes the financial results in news papers and places on its website and does not send it to shareholders.
3. **Modified opinion(s) in audit report:** The Audit opinion received by the Company has not been modified.
4. **Separate posts of chairperson and chief executive officer:** The Company has a Managing Director and a Wholetime Director designated as Executive Director and CFO of the Company.
5. **Reporting of internal auditor:** The Internal Auditor of the Company directly reports to the Audit Committee of the Company and their Internal Audit Reports are presented in the meeting of the Audit Committee.

(xoxoi) 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 is given below:

(Rs. In Lakh)

Payment to Statutory Auditors	FY 2021-22
Audit Fees	2.25
Fees for Review of quarterly financial results and Limited Review Report	3.00
Fees for review of internal financial controls and report thereon	0.50
Total	5.75

For **Surat Textile Mills Limited**

Alok P. Shah

Managing Director

DIN: 00218180

Surat, 11th August, 2022

CEO/CFO CERTIFICATION

(under Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To
The Board of Directors,
Surat Textile Mills Limited
Tulsi Krupa Arcade, 6th Floor,
Puna-Kumbharia Road, Dumbhal,
Surat 395010

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Surat Textile Mills Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed Financial Statement and the Cash Flow Statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statement together present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

We further state that 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.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these efficiencies.

We have indicated to the Auditors and the Audit Committee:

- (i) significant changes, if any, in internal control over financial reporting during the year;
- (ii) significant changes, if any, 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 they 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 systems over financial reporting.

For Surat Textile Mills Limited

Surat, 30th May, 2022

Yogesh C. Papaiya
Wholetime Director & CFO
DIN 00023985

Paresh V. Chothani
Wholetime Director
DIN: 00218632

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

(Regulation 34(3) read with Schedule V (Part D) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

This is to confirm and certify that the Company has adopted a Code of Conduct for Board member and Senior Management Personnel. As provided under sub-regulation (3) of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board member and Senior Management have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2022.

For **Surat Textile Mills Limited**

Alok P. Shah
Managing Director
DIN: 00218180

Surat, 11th August, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Board of Directors,
Surat Textile Mills Limited,

Tulsi Krupa Arcade,
 6th Floor, Near Aai Mata Chowk,
 Puna-Kumbharia Road, Dumbhal,
 SURAT 395010.

I, Jigar K. Vyas Proprietor - Jigar Vyas & Associates, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SURAT TEXTILE MILLS LIMITED having CIN L17119GJ1945PLC000214 and having registered office at Tulsi Krupa Arcade, 6th Floor, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, SURAT 395 010, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in Company
1	Mr. Manikant R. Momaya	00023993	23/10/2000
2	Mr. Yogesh C. Papaiya	00023985	23/10/2000
3	Mr. Harishchandra B. Bharucha	00138430	26/11/2010
4	Mr. Ketan A. Jariwala	02095540	11/08/2014
5	Ms. Kruti Kothari	08502921	09/07/2019
6	Pareesh V. Chothani	00218632	26/11/2021

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 **Jigar Vyas & Associates**
Company Secretaries

SD/-

Jigar Vyas
Proprietor

Place: Surat
Date: 29th May, 2021

FCS No.: 8019 C.P. No.: 14468
UDIN: F008019C000390742

CERTIFICATE ON CORPORATE GOVERNANCE

To,
**The Members of
Surat Textile Mills Limited**

I have examined the compliance of the conditions of Corporate Governance by **Surat Textile Mills Limited** ('the Company') for the year ended 31st March, 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable, read together with the matter specified in para 12(vii) of the Corporate Governance Report.

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

**For Jigar Vyas & Associates,
Practicing Company Secretaries**

Jigar Vyas
Membership No.: F8019
Certificate of Practice No.: 14468
UDIN: F008019D000729751
Peer Reviewed FIRM No: 2273

Place: Surat
Date: 2nd August 2022

INDEPENDENT AUDITOR'S REPORT

To the members of SURAT TEXTILES MILLS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of SURAT TEXTILES MILLS LIMITED (hereinafter referred as “the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information. (hereinafter collectively referred as the “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as “the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (hereinafter referred as “Ind AS”) and other accounting policies generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2022, and its loss, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as “SAs”) specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred as “ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics.

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

Emphasis of Matter

We draw attention to Note 41 to the Standalone Financial Statements, which describes the event occurring after the balance sheet date and the disclosure part of the ‘Assets held for the Sale’ and discontinued operations etc.

Our opinion is not modified in respect of this matter of emphasis.

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 determined the matters described below to be the key audit matters to be communicated in our report;

Key Audit Matter	Auditor's Response
The Board of Directors of the Company have decided to discontinue its manufacturing operations; accordingly, the same assets have been decided to classify as 'assets held for sale'. The aforesaid event has been assessed as highly probable by the management in accordance with the criteria prescribed under Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" and accordingly same has been disclosed as discontinued operations and non-current assets held for sale. Thus, we have identified the presentation of sale of assets of manufacturing division as a discontinued operation and non-current asset held for sale as key audit matter given as the same event is a significant, unusual / non-routine transaction and material to the standalone financial statements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Discuss and evaluated the basis of the management's assessment of treating the proposed transaction as discontinued operations and non-current assets held for sale in accordance with the applicable Indian Accounting Standards. • We have verified the procedures in relation to management's classification and valuation of assets held for sale including assessing the methodologies used and the appropriateness of the key assumptions, checking the accuracy thereof on a sample basis etc. • Obtained an understanding and assessed the effectiveness of process and controls followed by the management in classification and valuation of assets held for sale and discontinued operations. • Performed procedures on the disclosures relating to discontinued operations made in the standalone financial statements for assessing the compliance with disclosure requirements. • Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure Ind AS 105 requirements.

Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's report and Management Discussion and Analysis included in the annual report but does not include in 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have pending litigations as at March 31, 2022.
 - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
 - h) During the year Company has not declared / paid any dividend hence reporting under rule 11 (f) is not applicable to that extent.
3. With respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act:

We report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. During the year the company has inadequate profit, accordingly the remuneration paid to director by the company is as per the provision of Section 197 of the Act, where requisite approvals have been taken in the general meeting. The ministry of corporate affairs has not prescribed other details under section 197(16) which are required to comment upon by us.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN:22037457ALLCMX5287

Pune, May 30, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

- i. (a) According to the information and explanation given to us and records examined by us;
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) of the Company.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets of the Company.
- (b) The Company has a program of verification of PPE to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain PPE were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information & explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company as at the balance sheet date.
- (d) According to the information & explanations given to us and the records examined by us, we report that the company has not made any revaluation of PPE (including Right of use assets) or intangible assets or both during the year. Accordingly, reporting on paragraph 3 Clause (i) (d) of the Order is not applicable to the Company.
- (e) According to the information & explanations given to us, we report that there is no proceeding initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraph 3 Clause (i) (e) of the Order is not applicable to the Company.
- ii. In our opinion and according to the information and explanations given to us,
 - (a) having regard to the nature of inventory, the inventory has been physical verified by the management during the year. The physical inventory verification done by the management and certification of physical verifications by competent person, is reasonable, and the procedure & coverage of such verification followed by the management were appropriate. No discrepancies were noticed on the verification between the physical stock and the book records that were 10% or more in aggregate for each class of inventory.
 - (b) during the year company does not have any working capital from banks or financial institution. Accordingly, reporting on paragraph 3 Clause (ii) (b) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 Clause (iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.
- iv. According to information and explanation provided to us, during the year the Company has not granted any loans, made any investments and provided any guarantees and securities to the parties covered under section 185 & 186 of the Act. Accordingly reporting on paragraph 3 Clause (iv) of the Order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits from the public, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable. Further, according to the information and explanations given to us, no order in this respect has been passed by the Company Law Board or the National Company Law tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraph 3 Clause (v) of the Order is not applicable to the Company.

- vi. The Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, prima facie, the prescribed cost accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues as mentioned above were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation provided to us, no statutory dues as mentioned above in clause (vii) (a), which have not been deposited on account of dispute as at March 31, 2022.
- viii. According to the information & explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraph 3 Clause (viii) of the Order is not applicable to the Company.
- ix. According to the information & explanations given to us, the company does not have any loans during the year. Accordingly, reporting on paragraph 3 Clause (ix) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us and the records examined by us,
 - (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments), Accordingly reporting on paragraph 3 Clause (x) (a) is not applicable.
 - (b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly reporting on paragraph 3 Clause (x) (b) is not applicable.
- xi. According to the information and explanations given to us and the records examined by us,
 - (a) Based upon the audit procedures performed by us no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.
 - (b) Based on the audit procedures performed by us there is no any report under sub-section (12) of section 143 of the companies act 2013 has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) (a), (b) & (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

- xiv. According to the information and explanations given to us and the records examined by us,
- (a) the company has an internal audit system commensurate with the size and nature of its business.
 - (b) we have considered the internal audit reports of the company issued till the balance sheet date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. According to the information and explanations given to us and the records examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, reporting on Paragraph 3 Clause (xvi) (a), (b), (c) & (d) is not applicable.
- xvii. In our opinion and according to the information and explanations given to us, during the year the company has incurred the cash losses of Rs.853.28 Lakhs and there is no cash losses in the immediate preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting on Paragraph 3 Clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanation given to us and on the basis of the accounts and record examined by us, we report that company has calculated the CSR liability as per the section 135 of the act and spent the same towards the fund specified in schedule VII of the act. There is no unspent amount available at the balance sheet date in respect of ongoing projects and other than ongoing project, accordingly paragraph 3 Clause (xx) (a) & (b) of the order are not applicable.
- xxi. In our opinion and according to the information and explanation given to us, the company does not have any subsidiaries, associates and joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting under paragraph 3 Clause (xxi) of the Order is not applicable.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN:22037457ALLCMX5287

Pune, May 30, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) Section 143 (3) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of SURAT TEXTILES MILLS LIMITED (hereinafter referred as "the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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 and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN:22037457ALLCMX5287

Pune, May 30, 2022

Balance Sheet as at 31st March, 2022

		(Rs. in Lakhs)	
	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
1 NON-CURRENT ASSETS:			
(a) Property, Plant and Equipment	1	183.47	119.73
(b) Right to Use Assets	1	36.21	59.08
(c) Capital Work-In-Progress	1	0.00	0.00
(d) Intangible Assets	1	0.76	0.00
(e) Investment Property	2	1013.70	1013.70
(f) Financial Assets			
(i) Investments	3	3366.47	1612.32
(ii) Loans and Advances		0.00	0.00
(iii) Others Financial Assets		0.00	0.00
(g) Non-Current Tax Assets (Net)	5	149.88	163.21
(h) Deferred Tax Assets (Net)		0.00	0.00
(i) Other Non-Current Assets	6	2896.07	2895.98
TOTAL NON-CURRENT ASSETS		7646.56	5864.02
2 CURRENT ASSETS:			
(a) Inventories	8	96.35	960.60
(b) Financial Assets			
(i) Investments	3	5631.77	5506.41
(ii) Trade Receivables	9	0.00	188.84
(iii) Cash and Cash Equivalents	10	72.04	675.20
(iv) Bank Balances Other than (iii) above	10	66.71	191.23
(v) Loans and Advances	4	72.81	116.28
(c) Other Current Assets	6	96.55	445.91
TOTAL CURRENT ASSETS		6036.23	8084.47
3 Non-Current Assets held for Sale / Disposal	11	376.69	383.88
TOTAL ASSETS		14059.48	14332.37
EQUITY AND LIABILITIES			
EQUITY:			
(a) Equity Share Capital	12	2220.64	2220.64
(b) Other Equity	13	11151.48	11580.84
Total Equity		13372.12	13801.48
LIABILITIES:			
1 NON-CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Borrowings		0.00	0.00
(ii) Lease Liabilities	14	18.08	44.61
(iii) Other Financial Liabilities		0.00	0.00
(b) Long-Term Provisions	15	18.83	72.40
(c) Deferred Tax Liabilities (Net)	16	132.00	187.82
Total Non-Current Liabilities		168.91	304.83
2 CURRENT LIABILITIES:			
(a) Financial Liabilities			
(i) Borrowings		0.00	0.00
(ii) Lease Liabilities	14	26.52	22.64
(iii) Trade Payables			
1. Dues of Micro Enterprises and Small Enterprises	17	0.00	0.09
2. Dues of Other than Micro Enterprises and Small Enterprises	17	29.97	51.87
(iv) Other Financial Liabilities	18	32.22	136.21
(b) Other Current Liabilities	19	405.87	9.72
(c) Short-Term Provisions	15	23.87	5.53
(d) Current Tax Liabilities (Net)	16	0.00	0.00
Total Current Liabilities		518.45	226.06
TOTAL EQUITY AND LIABILITIES		14059.48	14332.37

The accompanying significant accounting policies and notes form an Integral Part of the Financial Statements.

A to C
1 to 53

As per our attached report of even date

For **Sharp & Tannan Associates**,
Chartered Accountants
Firm Registration No. 109983W
by the hand of

CA Tirtharaj Khot
Partner
Membership No.(F) 037457
Pune, 30th May, 2022

For and on behalf of Board of Directors

Yogesh C. Papaiya
Wholetime Director and CFO
DIN: 00023985

Paresh V. Chothani
Wholetime Director
DIN: 00218632

Chinmay M. Methiwala
Company Secretary
Surat, 30th May, 2022

Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in Lakhs)

Continuing Operations	Note No.	2021-22	2020-21
Income:			
Revenue from Operations	20	0.00	0.00
Other Income	21	606.09	470.62
Total Income		606.09	470.62
Expenses:			
Cost of Materials Consumed	22	0.00	0.00
Purchases of Stock-In-Trade		0.00	0.00
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	0.00	0.00
Employee Benefits Expense	24	158.80	109.67
Finance Costs	25	6.06	15.82
Depreciation and Amortisation Expense	26	35.60	29.21
Other Expenses	27	382.68	357.58
Total Expenses		583.14	512.28
Profit / (Loss) before tax from Continuing Operations		22.95	(41.66)
Tax Expenses of Continuing Operations			
Current tax	7	0.00	(118.78)
Deferred tax	7	(55.83)	98.03
Taxes in Respect of Earlier Years	7	0.00	0.00
Total Tax Expenses		(55.83)	(20.75)
(A) Profit / (Loss) after tax from Continuing Operations		78.78	(20.91)
Discontinued Operations			
Profit / (Loss) before tax from Discontinued Operations	34	(125.48)	1782.71
Tax Expenses of Discontinued Operations	7	385.92	313.33
(B) Profit / (Loss) after tax from Discontinued Operations		(511.40)	1469.38
(C) Profit / (Loss) for the year (C=A+B)		(432.62)	1448.47
Other Comprehensive Income / (Loss)			
(i) Items that will not be reclassified to profit / (loss)	28	3.26	(120.23)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)	28	0.00	(8.80)
(D) Other Comprehensive Income / (Loss) for the year		3.26	(129.03)
(E) Total Comprehensive Income / (Loss) for the year (E=C+D)		(429.36)	1319.44
Earnings per Equity Share of face value of Rs.1/- each - Continuing Operation	29	0.04	(0.01)
Earnings per Equity Share of face value of Rs.1/- each - Discontinued Operation	29	(0.23)	0.66
Earnings per Equity Share of face value of Rs.1/- each		(0.19)	0.65
The accompanying significant accounting policies and notes form an Integral Part of the Financial Statements.	A to C 1 to 53		

As per our attached report of even date
For **Sharp & Tannan Associates,**
Chartered Accountants
Firm Registration No. 109983W
by the hand of

CA Tirtharaj Khot
Partner
Membership No.(F) 037457
Pune, 30th May, 2022

For and on behalf of Board of Directors

Yogesh C. Papaiya
Wholetime Director and CFO
DIN: 00023985

Paresh V. Chothani
Wholetime Director
DIN: 00218632

Chinmay M. Methiwala
Company Secretary
Surat, 30th May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	22.95	(41.66)
Adjustment for:		
Depreciation and Amortisation Expense	35.60	29.21
Finance Costs	6.06	15.82
Interest Income	(197.53)	(170.04)
(Profit)/Loss on Redemption of Investments	(2.43)	0.00
Mark to Market of bonds (EIR method)	(1.67)	0.37
Unrealised Gain on Investments	(400.43)	(300.55)
Credit Balance Write Back	(5.65)	0.00
Bad debts and advance written off	(41.26)	11.19
	(607.31)	(414.00)
Operating Profit before Working Capital Changes	(584.36)	(455.66)
Movements in Working Capital		
(Increase) / Decrease in Provisions	(3.07)	9.01
(Increase) / Decrease in Trade and Other Receivables	(233.39)	56.55
(Increase) / Decrease in Inventories	0.00	0.00
(Decrease) / Increase in Trade Payables	44.57	(315.68)
(Decrease) / Increase in Other Financial Liabilities	(0.56)	6.80
(Decrease) / Increase in Other Current Liabilities	3.58	(12.90)
	(188.87)	(256.22)
Cash Generated from Operations	(773.23)	(711.88)
Direct Taxes (Paid) / Refund.	12.54	(337.02)
Net Cash Flow from Operating Activities (A)	(760.69)	(1048.90)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(77.22)	(2.89)
Advances against Sale of Assets	7.00	0.00
Purchase of Current Investments	(3387.50)	(3173.52)
Sale of Current Investments	2097.50	0.00
Interest Income	192.97	140.80
Loans to Other Company/Firm	41.59	61.19
Net Cash Flow used in Investing Activities (B)	(1125.66)	(2974.42)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Payment of Lease Liabilities	(22.65)	(20.70)
Interest (Paid) / Earn	(6.06)	(15.82)
Fixed Deposit (more than 3 months)	124.52	18.96
Fixed Deposit Interest	4.56	0.00
Net Cash Flow from Financing Activities (C)	100.37	(17.56)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	(Rs. in Lakhs)	
	2021-22	2020-21
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(1785.98)	(4040.88)
E. Cash and Cash Equivalents at the beginning of the year	675.20	2013.73
F. Cash and Cash Equivalents at the end of the year from Continuing Operations	(1110.78)	(2027.15)
G. Net Cashflow from Discontinued Operations	1182.82	2702.35
H. Cash and Cash Equivalents at the end of the year (Refer Note No.10)	72.04	675.20
The accompanying significant accounting policies and notes form an Integral Part of the Financial Statements.	A to C 1 to 53	

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - "Statement of Cash Flows".
- There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.

As per our attached report of even date

For **Sharp & Tannan Associates,**

Chartered Accountants

Firm Registration No. 109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.(F) 037457

Pune, 30th May, 2022

For and on behalf of Board of Directors

Yogesh C. Papaiya

Wholetime Director and CFO

DIN: 00023985

Paresh V. Chothani

Wholetime Director

DIN: 00218632

Chinmay M. Methiwala

Company Secretary

Surat, 30th May, 2022

Statement of Changes in Equity for the year ended 31st March, 2022

A Equity Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the year	222064440	2220.64	222064440	2220.64
Shares issued	0	0.00	0	0.00
Outstanding at the end of the year	222064440	2220.64	222064440	2220.64

B Other Equity

As at 31st March 2022

(Rs. in Lakhs)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period i.e. 1st April, 2021	11555.48	25.36	11580.84
Total Comprehensive Income for the year	(432.62)	3.26	(429.36)
Transfer to / (from) retained earnings	0.00	0.00	0.00
Balance at the end of the reporting period i.e. 31st March, 2022	11122.86	28.62	11151.48

As at 31st March 2021

(Rs. in Lakhs)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period i.e. 1st April, 2020	10948.48	(687.08)	10261.40
Total Comprehensive Income for the year	1448.47	(129.03)	1319.44
Transfer to / (from) retained earnings	(841.47)	841.47	0.00
Balance at the end of the reporting period i.e. 31st March, 2021	11555.48	25.36	11580.84

As per our attached report of even date

For **Sharp & Tannan Associates,**

Chartered Accountants

Firm Registration No. 109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.(F) 037457

Pune, 30th May, 2022

For and on behalf of Board of Directors

Yogesh C. Papaiya

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DIN: 00023985

Paresh V. Chothani

Wholetime Director

DIN: 00218632

Chinmay M. Methiwala

Company Secretary

Surat, 30th May, 2022

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2022

A. Corporate Information

Surat Textile Mills Limited (the 'Company') is domiciled in India. The Company's registered office is at 6th Floor, Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat-395010. The Company is listed on the Bombay Stock Exchange (BSE). The Company has discontinued its business of manufacturing Polyester Chips and Partially Oriented Yarn (POY) and the management is in the process of evaluating various options.

B. Summary of Significant Accounting Policies

B.1. Basis for Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value and assets held for sale are measured at the lower of its carrying amount fair value less cost to sell at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (Rs.), which is also the functional and presentation currency of the Company, and all values are rounded to the nearest Lakhs with two decimal, except when otherwise indicated.

The financial statements are approved for issue by the Company's Board of Directors on 30th May, 2022.

B.2. Key Sources of Estimation:

The preparation of financial statements in conformity with Ind AS requires that management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include:

- (i) The useful lives and Residual value of Property, Plant and Equipment
- (ii) Income Tax Assets / Liabilities
- (iii) Allowance for Expected Credit Loss of Financial Assets
- (iv) Future Obligations in Respect of Retirement Benefit Plans
- (v) Differences, if any, between the actual results and estimates are recognised in the period in which the results are known
- (vi) Fair value of Investments

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described above, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ

Notes annexed to and forming part of the Financial Statements (Contd.)

from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Impairment of Property, Plant and Equipment:

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

(ii) Useful Lives and Residual Value of Property, Plant and Equipment:

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there are no major changes required to the useful lives of assets.

(iii) Provision for Litigations and Contingencies:

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

(iv) Allowance for Expected Credit Losses :

The expected credit allowance is based on the ageing of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

(v) Income Tax:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

(vi) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

B.3. Current versus Non-current Classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

Notes annexed to and forming part of the Financial Statements (Contd.)

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

B.4. Non-current assets held for sale

Non-current assets comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through a sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss post tax from discontinued operations in the statement of profit and loss. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned . (For Details Refer Note 11)

B.5. Property, Plant and Equipments and Other Intangible Assets:

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognized (other than on capital work-in-progress) on a straight line method over the estimated useful lives of assets. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided

Notes annexed to and forming part of the Financial Statements (Contd.)

on a pro-rata basis from the date of each addition till the date of sale/retirement. The estimated useful lives of assets are stated below:

Sr. No.	Category of Assets	Useful Life* (in Years)
1	Buildings:	
	(i) Factory Buildings	30
	(ii) Other Buildings	60
	(iii) Fences, Wells, Tube wells	5
2	Plant and Machinery:	
	(i) Continuous Process Plants	25
	(ii) Other	8 to 10
3	Furniture and Fixtures	10
4	Vehicles	8 to 10
5	Office Equipments	5
6	Electrical installations and Equipments	10
7	Computer Equipments	3 to 6
8	Property, plant and equipment individually costing Rs. 10,000 or less	1

*Estimated Useful life of assets consistent with the useful life specified in the Schedule II of the Companies Act, 2013.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

Leases:

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement

Notes annexed to and forming part of the Financial Statements (Contd.)

date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

B.6. Impairment of Tangible Assets:

At the end of each reporting period, the Company reviews the carrying amounts of tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which an individual asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

B.7. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials, stores and spare parts and traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

Notes annexed to and forming part of the Financial Statements (Contd.)

B.8. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer which generally coincides with dispatch of goods from factory/stock points.

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount on initial recognition.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is significant certainty about the collectability.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

B.9. Foreign Currencies:

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

Transactions in currencies other than the Company's functional currency are recognized at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevailing at the date of initial recognition (in case measured at historical cost) or at the rate prevailing at the date when the fair value is determined (in case measured at fair value).

Foreign exchange differences are recognized in profit or loss in the period in which they arise except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

B.10. Employee Benefits:

Short-term Employee Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.

Other Long-term Employee Benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Notes annexed to and forming part of the Financial Statements (Contd.)

Post-Employment Benefits

(i) Defined Contribution Plans:

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

Provident Fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' basic salary (currently 12% of employees' basic salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

(ii) Defined Benefit Plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit and loss.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method and the same is unfunded.

(iii) Termination Benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense in the period in which they are incurred.

B.11. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on

Notes annexed to and forming part of the Financial Statements (Contd.)

qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

B.12. Taxation:

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Notes annexed to and forming part of the Financial Statements (Contd.)

Current tax and Deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

B.13. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

B.14. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

(A) Financial Assets

a) Initial Recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent Measurement

(i) Financial Assets Carried at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes annexed to and forming part of the Financial Statements (Contd.)

(ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iv) Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

d) Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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

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

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward booking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

e) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 – Financial Instruments.

For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in Profit or Loss and changes in fair value (other than on account of above income or expense) are recognised in Other Comprehensive Income and accumulated in Other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in Other equity is reclassified to Profit and Loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to Profit and Loss on disposal of investments

Notes annexed to and forming part of the Financial Statements (Contd.)

(B) Financial Liabilities

a) Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial Assets Carried at Amortised Cost (AC).

c) De-Recognition

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit and Loss.

d) Foreign Exchange Gains and Losses

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

B.15. Cash and Cash Equivalents:

Cash and cash equivalents comprise cash in hand and unencumbered, highly liquid bank and other balances (with original maturity of three months or less) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

B.16. Statement of Cash Flow:

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profits for the effects of:

- (i) Transactions of a non-cash nature.
- (ii) Any deferrals or accruals of past or future operating cash receipts or payments.
- (iii) Items of income or expense associated with investing or financing cash flows.
- (iv) Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

Notes annexed to and forming part of the Financial Statements (Contd.)

B.17. Events after Reporting Date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date only of material size or nature are disclosed.

B.18. Earnings per Share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders of the parent entity by weighted average number of equity shares outstanding during the year as adjusted for the effects of the effects of all dilutive potential ordinary shares dilutive potential equity shares (except where the results are anti-dilutive).

C. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

Notes annexed to and forming part of the Financial Statements (Contd.)

Note 1 : Property, Plants & Equipments and Intangible Assets

(Rs. in Lakhs)

Description	Tangible Assets:									Right to	Intangible	GRAND TOTAL
	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Electrical Installations & Equipments	Motor Vehicles	Office Equipments	Computers & Data Processing Units	TOTAL	Use Asset: Buildings	Assets: Software	
GROSS BLOCK												
Balance as at 1st April 2020	72.60	306.78	143.08	6.40	9.05	61.51	49.38	5.42	654.22	104.82	0.00	759.04
Additions	0.00	0.00	0.00	0.93	0.00	0.00	0.00	1.95	2.88	0.00	0.00	2.88
Retirements/(Deductions)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March 2021	72.60	306.78	143.08	7.33	9.05	61.51	49.38	7.37	657.10	104.82	0.00	761.92
Additions						69.85	0.63	5.78	76.26		0.97	77.22
Deductions/held for Sale*	55.08	223.80	143.08	0.11	9.05	0.00	0.40	0.10	431.62	0.00	0.00	431.62
Balance as at 31st March 2022	17.52	82.98	0.00	7.22	0.00	131.36	49.61	13.05	301.74	104.82	0.97	407.52
ACCUMULATED DEPRECIATION												
Balance as at 1st April 2020	0.00	45.60	2.00	1.22	0.00	55.35	31.73	1.70	137.60	22.87	0.00	160.47
Additions	0.00	11.66	0.50	0.64	0.00	0.00	2.19	0.90	15.89	22.87	0.00	38.76
Retirements/(Deductions)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March 2021	0.00	57.26	2.50	1.86	0.00	55.35	33.92	2.60	153.49	45.74	0.00	199.23
Additions	0.00	9.43	0.38	0.71		4.39	2.26	2.54	19.71	22.87	0.21	42.79
Deductions/held for Sale*	0.00	52.05	2.88	0.00	0.00	0.00	0.00	0.00	54.93	0.00	0.00	54.93
Balance as at 31st March 2022	0.00	14.64	0.00	2.57	0.00	59.74	36.18	5.14	118.27	68.61	0.21	187.09
NET BLOCK												
Balance as at 31st March 2021	72.60	249.52	140.58	5.47	9.05	6.16	15.46	4.77	503.61	59.08	0.00	562.69
Balance as at 31st March 2022	17.52	68.34	0.00	4.65	0.00	71.62	13.43	7.91	183.47	36.21	0.76	220.44

Note:

- Estimated Amount of Contract Remaining to be Executed on Capital Account is Rs. NIL (Previous Year Rs. NIL)
- Short term leases and leases for low value assets are continued to be accounted for as rent expense.
- Total cash outflow for lease arrangements during the year is Rs 32.77 Lakhs (including GST).
- *The Company has discontinued its business of manufacturing Polyester Chips and Partially Oriented Yarn (POY) at Jolwa Location and their Assets shown separately as 'held for sale'

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 2 Investment Property		
Shopping Complex Kamla Estate	19.84	19.84
Land at Varachha	905.46	905.46
Land at Vareli	88.40	88.40
Total	1013.70	1013.70

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 3 Investments		
Non-Current Investment		
Quoted		
Fair Value through Other Comprehensive Income		
In Equity Shares of Company		
Garden Silk Mills Ltd., FV Rs.10 fully paid up equity share #		
Nil (31 March 2021 : Nil)	0.00	0.00
Amortised Cost		
Investment in Government Bond		
SBI Bank - 8.75% Perpetual Bond, FV Rs.10,00,000 each		
50 (31 March 2021 : 50)	506.44	508.78
UP Power Corporation Ltd - 9.75% Taxable Bond, FV Rs.10,00,000 each		
60 (31 March 2021 : 60)	591.90	587.74
Bank of Baroda - 8.25% Perpetual Bond, FV Rs.10,00,000 each		
50 (31 March 2021 : 50)	500.63	500.78
	1598.97	1597.30
Unquoted		
Amortised Cost		
Investment in Alternative Investment Fund (AIF)		
Avendus Future Leaders	67.50	0.00
Bepa Credit India Fund III	90.00	0.00
Blume Ventures India Fund IV	20.00	0.00
Innoven Capital India Fund	490.00	0.00
Kae Capital Fund III	20.00	0.00

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Stride RTI Opportunities	100.00	0.00
Stride Venture Debt Fund-II	700.00	0.00
Trifecta Venture Debt Fund	180.00	0.00
Waterbridge Ventures II	100.00	0.00
	1767.50	0.00
Fair Value through Other Comprehensive Income		
Investment in Partnership Firm		
M/s. Isha Enterprise *	0.00	15.02
Less: Provision for Diminution Value of Investment	0.00	0.00
	0.00	15.02
Total Non-Current Investments	3366.47	1612.32

Pursuant to the order dated 01/01/2021, Hon'ble National Company Law Tribunal (NCLT) Ahmedabad Bench 1 approved the Resolution Plan submitted by the financial creditor of Garden Silk Mills Limited (now Garden Silk Mills Private Limited). As an integral part of the Resolution Plan, the entire Issued, Subscribed and Paid-up Equity Share Capital of Garden Silk Mills Limited stands extinguished with immediate effect without any exit offer / outgo / payment. Accordingly the investment of 480878 Equity Shares of Rs.10 each fully paid up held by the Company in Garden Silk Mills Limited stands extinguished. GSML had as part of compliance, filed applicable Form INC-28 i.e. Notice of order of the tribunal, for capital reduction pursuant to Resolution Plan. The said filing was approved by the Ministry of Corporate Affairs (MCA) on 26th February, 2021.

Accordingly, the necessary accounting entries for loss on derecognition of investment by extinguishment of Equity shares of GSML have been passed in books of accounts based on the above documents.

* Isha Enterprise also had investment in equity shares of Garden Silk Mills Limited.

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Current Investment		
Fair Value through Profit and Loss		
Investment in Mutual Funds		
ABSL Corporate Bond Fund - Growth-Direct Plan- of Rs 10/- each 710592.872 (31 March 2021 : 987449.693)	648.09	856.44
ABSL Income Fund - Growth-Direct Plan- of Rs 10/- each 503664.664 (31 March 2021 : 503664.664)	551.42	520.44
ICICI Prudential Banking & PSU Debt Fund - Direct Growth Plan- of Rs 10/- each 1858280.674 (31 March 2021 : 1858280.674)	500.25	476.03
ICICI Prudential Savings Fund - Direct Growth Plan- of Rs 10/- each 107242.372 (31 March 2021 : 107242.372)	469.41	450.08
IDFC Banking & PSU Debt Fund Direct Plan - Growth- of Rs 10/- each 2471744.866 (31 March 2021 : 2471744.866)	504.21	482.99
IDFC Ultra Short Term Fund Direct Plan - Growth- of Rs 10/- each 1928590.818 (31 March 2021 : 3543643.105)	239.36	424.21
Invesco India Contra Fund Direct Plan Growth- of Rs 10/- each 375963.800 (31 March 2021 : nil)	320.02	0.00
Invesco India Corporate Bond Fund Direct Plan Growth- of Rs 10/- each 2848.221 (31 March 2021 : nil)	77.90	0.00
Kotak Banking & PSU Debt Fund Direct Plan - Growth- of Rs 10/- each 713897.037 (31 March 2021 : 1518147.211)	387.51	782.20
Kotak Corporate Bond Fund Direct Growth- of Rs 10/- each 1784.506 (31 March 2021 : nil)	55.91	0.00
Kotak Equity Opportunities Fund Direct Plan - Growth- of Rs 10/- each 150475.920 (31 March 2021 : nil)	326.29	0.00
Nippon India Corporate Bond Fund - Growth-Direct Plan- of Rs 10/- each 1067171.344 (31 March 2021 : 857459.523)	528.77	402.07
Nippon India Short Term Fund - Direct Growth Plan- of Rs 10/- each 1656056.208 (31 March 2021 : 2162636.242)	753.97	931.06
Nippon India Fund CPSE ETF (RGESS) Growth- of Rs 10/- each 800000.000 (31 March 2021 : 800000.000)	268.66	180.89
Total Current Investments	5631.77	5506.41
Total Investments	8998.24	7118.73
Aggregate Market Value of Quoted Investments	7230.74	7103.71
Aggregate Carrying Value of Quoted Investments	6460.22	6565.41
Aggregate Carrying Value of Unquoted Investments	1767.50	15.02

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 4 Loans and Advances		
Current		
Unsecured, Considered Good		
Deposits - Receivable*	0.00	85.00
Less: Provision for ECL on ICDs/Loans	0.00	(43.41)
	0.00	41.59
Loans to Employees	2.18	0.00
Income Receivables	70.63	74.69
Total	72.81	116.28

* The Company has used a practical expedient by computing the expected credit loss allowance for Deposit Receivables based on the provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 5 Non-Current Tax Assets		
Advance Income Tax (Net of Provision)	149.88	163.21
Total	149.88	163.21

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 6 Other Assets		
Non-Current		
Unsecured, Considered Good		
Deposits - Receivable Long term	12.55	12.46
Paintings & Artefacts	2883.52	2883.52
	2896.07	2895.98
Current		
Unsecured, Considered Good		
Advance to Suppliers	0.72	327.42
Income Receivables	0.00	42.64
Prepaid Expenses	15.83	19.11
Balance with Customs, GST and State Authorities	80.00	56.74
	96.55	445.91
Total	2992.62	3341.89

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 7 Taxes on Income		
The Major Components of Income Tax Expense for the year ended March 2022 and March 2021 are:		
(i) Statement of Profit and Loss		
Current Tax on continuing operation	0.00	(118.78)
Current Tax on discontinued operation	0.00	313.33
Deferred Tax on continuing operation	(55.83)	98.03
Deferred Tax on discontinued operation	0.00	0.00
Short/(Excess) Provision of tax for earlier years on continuing operation	0.00	0.00
Short/(Excess) Provision of tax for earlier years on discontinued operation	385.92	0.00
Total Income Tax Expense	330.09	292.58
(ii) Other Comprehensive Income		
Deferred Tax relating to Net Gain/(Loss) on Re-measurement of Defined Benefit Plans	0.00	(8.80)
(iii) Reconciliation of Effective Tax Rate		
Income before tax	(102.53)	1741.05
Enacted Tax Rate in India (as per MAT)	21.55%	21.55%
Expected Tax Expense (C)=(A)*(B)	0.00	375.18
Tax Effect of :		
Exempted Income	0.00	0.00
Expenses disallowed	0.00	0.34
Other Items	0.00	(180.97)
Current Tax Provision (A)	0.00	194.55
Incremental deferred Tax liability on account of depreciation on property, Plant and Equipment and Intangible Assets	(119.31)	11.38
Incremental deferred Tax liability / (Asset) on account of financial asset and other items	63.48	86.65
Deferred Tax Provision (B)	(55.83)	98.03
Taxes in respect of earlier years (C)	385.92	0.00
Tax Expense recognised in statement of profit and loss (A+B+C)	330.09	292.58

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	Opening Balance as on 01/04/2021	Recognised in P & L	Recognised in OCI	Closing Balance as on 31/03/2022
(iv) Movement of Deferred Tax				
Tax effect of Items Constituting Deferred Tax Liabilities:				
Unrealised Gain on MF Investments	164.73	56.79	0.00	221.52
Total Deferred Tax Liabilities	164.73	56.79	0.00	221.52
Tax effect of Items Constituting Deferred Tax Assets:				
Carried Forward Losses	(32.17)	119.35	0.00	87.18
Employees Benefits	0.00	0.00	0.00	0.00
Revaluation of Investments	0.00	0.00	0.00	0.00
Effect of 43B	6.70	(6.70)	0.00	0.00
Effect of Lease Asset	2.38	(0.04)	0.00	2.34
Total Deferred Tax Assets	(23.09)	112.61	0.00	89.52
Deferred Income Tax Assets/(Liabilities) after Set Off	(187.82)	55.83	0.00	(132.00)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 8 Inventories (at lower of cost and net realisable value)		
Raw Materials	0.00	672.71
Raw Materials In Transit	0.00	0.00
	0.00	672.71
Finished Goods (including Stock in trade)	0.00	114.23
Finished Goods in Transit	0.00	0.00
	0.00	114.23
Stores, Spares, Chemicals & Consumables	96.35	173.66
	96.35	173.66
Total	96.35	960.60

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 9 Trade Receivables		
Unsecured, Considered Good*	0.00	188.78
Considered Doubtful	0.00	0.06
	0.00	188.84
Less: Allowance for credit losses	0.00	0.00
Total	0.00	188.84

* Refer Note 37.2 for Amount due from Related Parties.

(Rs. in Lakhs)

Trade Receivable ageing Schedule as at 31st March, 2022				
Particulars	Outstanding for following periods from due date of payment			Total
	Less than 6 months	6 months to 1 years	1 years to 2 years	
(a) Undisputed Trade Receivable - Considered Good	0.00	0.00	0.00	0.00
(b) Undisputed Trade Receivable - Considered Doubtful	0.00	0.00	0.00	0.00
(c) Disputed Trade Receivable - Considered Good	0.00	0.00	0.00	0.00
(d) Disputed Trade Receivable - Considered Doubtful	0.00	0.00	0.00	0.00

(Rs. in Lakhs)

Trade Receivable ageing Schedule as at 31st March, 2021				
Particulars	Outstanding for following periods from due date of payment			Total
	Less than 6 months	6 months to 1 years	1 years to 2 years	
(a) Undisputed Trade Receivable - Considered Good	188.78	0.00	0.00	188.78
(b) Undisputed Trade Receivable - Considered Doubtful	0.00	0.00	0.06	0.06
(c) Disputed Trade Receivable - Considered Good	0.00	0.00	0.00	0.00
(d) Disputed Trade Receivable - Considered Doubtful	0.00	0.00	0.00	0.00

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 10 Cash and Cash Equivalents		
Cash on Hand	11.23	15.82
Balances with Banks in Current Accounts	55.81	653.51
Fixed Deposits with Banks (maturity in less than 3 months)	5.00	5.87
Total	72.04	675.20
Other Bank Balances		
Fixed Deposits with Banks (maturity in 3 to 12 months)	66.71	0.00
Margin Money with Banks	0.00	191.23
Total	66.71	191.23

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 11 Assets held for Sale*		
Land	55.08	55.08
Factory Building	171.75	178.56
Plant & Machinery	140.23	140.61
Other Assets	9.63	9.63
Total	376.69	383.88

* Refer Note 41

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 12 Equity Share Capital		
Authorised Share Capital		
75,00,00,000 (75,00,00,000) Equity Shares of Rs.1/- each	7500.00	7500.00
Total	7500.00	7500.00
Issued, Subscribed and Paid up *		
22,20,64,440 (22,20,64,440) Equity Shares of Rs. 1/- each fully paid up	2220.64	2220.64
Total	2220.64	2220.64

*No Changes during the year and immediately Preceding Previous year.

Notes annexed to and forming part of the Financial Statements (Contd.)

The company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled for one vote per share held. In the event of liquidation of the company the holder of the equity share will be entitled to receive remaining asset after deducting all its liabilities in proportion to the number of equity shares held.

Shareholders holding more than 5% of Paid-up Equity Share Capital

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% held	No. of Shares	% held
Vareli Trading Company Ltd. (Refer Note 43)	77580026	34.94%	77580026	34.94%
Mr. Praful A. Shah (Individual)	27830471	12.53%	27830471	12.53%
Garden Silk Mills Private Limited* (Refer Note 42)	6075000	2.74%	14500000	6.53%

12.02 Shares held by promoters at the end of the year

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
	No. of Shares	% held	No. of Shares	% held	
Vareli Trading Company Ltd. (Refer Note 43)	77580026	34.94%	77580026	34.94%	0%
Mr. Praful A. Shah (Individual)	27830471	12.53%	27830471	12.53%	0%
Garden Silk Mills Private Limited* (Refer Note 42)	-	-	14500000	6.53%	6.53%

*Garden Silk Mills Private Limited is no more to 'Promoter and Promoter Group' category.

12.03 For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are

- Allotted as fully paid up pursuant to contracts without payment being received in cash.
- Allotted as fully paid shares by way of bonus shares.
- Bought back.

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 13 Other Equity		
Retained Earnings		
Balance as per last Balance Sheet	11555.48	10948.48
Add: Profit/(Loss) for the Year	(432.62)	1448.47
Add: Transfer from Other Comprehensive Income	0.00	(841.47)
	11122.86	11555.48
Other Comprehensive Income		
Balance as per last Balance Sheet	25.36	(687.08)
Less: OCI for the year	3.26	(129.03)
Less: Transfer to retained earnings	0.00	841.47
	28.62	25.36
Total	11151.48	11580.84

Nature and Purpose of Reserves

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Items of Other Comprehensive Income

- Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.
- Equity Instruments through Other Comprehensive Income: The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income. Upon de-recognition, the cumulative fair value changes on the said instruments will not be reclassified to the Statement of Profit and Loss. Based on this on derecognition by way of extinguishment of equity shares of GSML has not been reclassified to P&L A/c and cumulative impact given to OCI reserve in previous years has been transferred to accumulated surplus.

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 14 Lease Liabilities*		
Non-Current		
Lease Liabilities - Building	18.08	44.61
Current		
Lease Liabilities - Building	26.52	22.64
Total	44.60	67.25

* Refer Note 33

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 15 Provisions*		
Long-Term		
Provisions for Employee Benefits*	18.83	72.40
Short-Term		
Provisions for Employee Benefits*	23.87	5.53
Total	42.70	77.93

* Refer Annexure 1 of Note 24

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 16 Non-Current Tax Liabilities		
Deferred Tax Liabilities (net)	132.00	187.82
Total	132.00	187.82

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Note: 17 Trade Payables		
a) Acceptances	0.00	0.00
b) Payable to Others		
i) Payable to Micro and Small Enterprises *	0.00	0.09
ii) Others including Creditors for Expenses #	29.97	51.87
Total	29.97	51.96

*Information in Respect of Micro, Small and Medium Enterprises as at 31st March, 2022 as disclosure requirement under MSMED act, 2006 are applicable.

Refer Note 32.2 for Amount payable to Related Parties.

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Principal Amount Due	0.00	0.09
(b) Interest on Principal Amount Due	Nil	Nil
(c) Interest and Principal Amount paid beyond appointment day	Nil	Nil
(d) The Amount of Interest Due and Payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSMED Act.	Nil	Nil
(e) The Amount of Interest accrued and remaining unpaid at the end of the year	Nil	Nil
(f) The Amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	Nil	Nil

(Rs. in Lakhs)

Trade Payables ageing Schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(a) MSME	0.00	0.00	0.00	0.00
(b) Others	29.97	0.00	0.00	29.97
(c) Disputed Dues - MSME	0.00	0.00	0.00	0.00
(d) Disputed Dues - Others	0.00	0.00	0.00	0.00

(Rs. in Lakhs)

Trade Payables ageing Schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(a) MSME	0.09	0.00	0.00	0.09
(b) Others	48.37	0.00	3.50	51.87
(c) Disputed Dues - MSME	0.00	0.00	0.00	0.00
(d) Disputed Dues - Others	0.00	0.00	0.00	0.00

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 18 Other Financial Liabilities		
Non Current		
Payable - Expenses	0.00	0.00
	0.00	0.00
Current		
Payable - Employees Benefit Expenses	22.31	30.09
Payable - Expenses	9.41	105.62
Deposits - Payable	0.50	0.50
	32.22	136.21

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Note: 19 Other Current Liabilities		
Advances against Sale of Assets	397.00	0.00
Advances from Customers	0.00	0.30
Goods and Services Tax	1.11	1.06
Payable - Expenses	1.73	2.19
Payable - TDS	6.03	6.17
Total	405.87	9.72

(Rs. in Lakhs)

	2021-22	2020-21
Note: 20 Revenue from Operations		
Sale of Products	0.00	0.00
Other Operating Revenue	0.00	0.00
Total	0.00	0.00

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 21 Other Income		
Interest Income		
Bank Deposits	4.56	38.33
Investments in Bonds	136.35	119.62
Investments in Alternate Investment Fund / Advances	53.33	12.09
On I.T. Refund	3.29	0.00
Other Non-Operating Income		
Unrealised gain on Current Investments (FVTPL)	400.43	300.55
Profit on Sale of Current Investments	2.43	0.00
Credit Balances Write Back	5.65	0.00
Miscellaneous Receipts	0.05	0.03
Total	606.09	470.62

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 22 Cost of Materials Consumed		
Opening Stock of Raw Material	0.00	0.00
Add: Purchases During the Year	0.00	0.00
	0.00	0.00
Less: Closing Stock of Raw Material	0.00	0.00
Total	0.00	0.00

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 23 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Finished Goods and Stock-in-trade	0.00	0.00
Work-in-Progress	0.00	0.00
	0.00	0.00
Less: Closing Stock		
Finished Goods and Stock-in-trade	0.00	0.00
Work-in-Progress	0.00	0.00
	0.00	0.00
Total	0.00	0.00

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 24 Employee Benefits Expense		
Salaries and Wages	137.79	96.56
Contribution to Provident and Other Funds	7.24	3.98
Gratuity	6.35	5.73
Staff Welfare Expenses	7.42	3.40
Total	158.80	109.67

(a) Defined Contribution Plan:

The Company has Recognized Rs.5.53 Lakhs for Provident Fund contribution in the Statement of Profit and Loss for the year ended March 31, 2022 (Previous Year Rs.4.93 Lakhs)

(b) Defined Benefit Plan:

The present value of obligation is determined based on actuarial valuation.

As per Ind AS 19 "Employee benefits", the disclosures as defined in the Accounting Standards are given below:

Annexure 1 : Funded status of the plan

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Present value of unfunded obligations	25.10	54.24	17.60	23.70
Present value of funded obligations	0.00	0.00	0.00	0.00
Fair value of plan assets	0.00	0.00	0.00	0.00
Net Liability (Asset)	25.10	54.24	17.60	23.70

Bifurcation of liability as per schedule III

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Current Liability*	13.89	4.65	9.97	0.88
Non-Current Liability	11.21	49.59	7.62	22.81
Net Liability	25.10	54.24	17.60	23.69

* The current liability is calculated as expected benefits for the next 12 months.

Notes annexed to and forming part of the Financial Statements (Contd.)

Annexure 2 : Profit and Loss account for the current period

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Service cost:				
Current service cost	3.59	4.61	9.45	11.19
Past service cost and loss/(gain) on curtailments and settlement	0.00	0.00	0.00	0.00
Net interest cost	3.56	3.39	1.50	0.91
Net value of remeasurements on the obligation and plan assets	0.00	0.00	(1.23)	1.50
Total included in 'Employee Benefit Expense'	7.14	8.00	9.73	13.60
Total Charge to Profit and Loss	7.14	8.00	9.73	13.60

Other Comprehensive Income for the current period

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Due to Change in financial assumptions	0.51	0.00	0.03	0.64
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	(3.77)	(3.15)	(1.26)	0.86
Return on plan assets excluding amounts included in interest income	0.00	0.00	0.00	0.00
Amounts recognized in Other Comprehensive Income	(3.26)	(3.15)	(1.23)	1.50

Annexure 3: Reconciliation of defined benefit obligation

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Opening Defined Benefit Obligation	54.24	52.12	23.70	13.70
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Current service cost	3.59	4.61	9.45	11.19
Interest cost	3.56	3.39	1.50	0.91
Components of actuarial (gain)/losses on obligations:				
Due to Change in financial assumptions	0.51	0.00	0.03	0.64
Due to change in demographic assumption	0.00	0.00	0.00	0.00
Due to experience adjustments	(3.77)	(3.15)	(1.26)	0.86
Past service cost	0.00	0.00	0.00	0.00
Loss (gain) on curtailments	0.00	0.00	0.00	0.00
Liabilities extinguished on settlements	0.00	0.00	0.00	0.00
Liabilities assumed in an amalgamation in the nature of purchase	0.00	0.00	0.00	0.00
Exchange differences on foreign plans	0.00	0.00	0.00	0.00
Benefits paid	(33.02)	(2.73)	(15.83)	(3.61)
Closing Defined Benefit Obligation	25.10	54.24	17.60	23.69

Notes annexed to and forming part of the Financial Statements (Contd.)

Annexure 4: Reconciliation of net defined benefit liability

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Net opening provision in books of accounts	54.24	52.12	23.70	13.70
Transfer in/(out) obligation	0.00	0.00	0.00	0.00
Transfer (in)/out plan assets	0.00	0.00	0.00	0.00
Employee Benefit Expense as per Annexure 2	7.14	8.00	9.73	13.60
Amounts recognized in Other Comprehensive (Income)	(3.26)	(3.15)	0.00	0.00
Total	58.13	56.97	33.42	27.30
Benefits paid by the Company	(33.02)	(2.73)	(15.83)	(3.61)
Contributions to plan assets	0.00	0.00	0.00	0.00
Closing provision in books of accounts	25.10	54.24	17.60	23.69

Annexure 5: Principle actuarial assumptions

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Discount Rate	6.40%	6.85%	6.40%	6.45%
Salary Growth Rate	7.00%	7.00%	7.00%	7.00%
Withdrawal Rates	2% at all ages	2% at all ages	2% at all ages	2% at all ages
Leave Availment Rate			0% p.a.	0% p.a.
Leave Encashment Rate			0% p.a.	0% p.a.

Annexure 6: Maturity Profile of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	Cash flows	%	Cash flows	%
Year 1	13.89	37.70%	9.97	42.20%
Year 2	0.26	0.70%	1.32	5.60%
Year 3	2.13	5.80%	0.60	2.50%
Year 4	0.89	2.40%	1.96	8.30%
Year 5	1.13	3.10%	1.92	8.10%
Year 6 to Year 10	3.94	10.70%	1.65	7.00%

The future accrual is not considered in arriving at the above cash-flows.

The Expected contribution for the next year is Rs. 13.89 Lakhs.

The Weighted Average Duration (Years) as at valuation date is 4.72 years.

Notes annexed to and forming part of the Financial Statements (Contd.)

Annexure 7: Sensitivity to key assumptions

(Rs. in Lakhs)

Particulars	Gratuity		Leave Benefits	
	31/03/2022 (12 months)	31/03/2021 (12 months)	31/03/2022 (12 months)	31/03/2021 (12 months)
Discount rate Sensitivity				
Increase by 0.5%	24.54	52.35	17.28	22.90
(% change)	-2.27%	-3.49%	-1.81%	-3.37%
Decrease by 0.5%	25.71	56.27	17.93	24.56
(% change)	2.42%	3.74%	1.92%	3.65%
Salary growth rate Sensitivity				
Increase by 0.5%	25.68	56.23	17.93	24.55
(% change)	2.30%	3.67%	1.89%	3.61%
Decrease by 0.5%	24.56	52.37	17.28	22.90
(% change)	-2.17%	-3.45%	-1.81%	-3.37%
Withdrawal rate (W.R.) Sensitivity				
W.R. x 110%	25.09	54.24	17.60	23.69
(% change)	-0.05%	0.00%	0.00%	-0.04%
W.R. x 90%	25.12	54.24	17.60	23.71
(% change)	0.05%	0.00%	0.00%	0.04%

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters.

Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

(Rs. in Lakhs)

	2021-22	2020-21
Note: 25 Finance Costs		
Interest Expenses	0.00	0.00
Interest on Lease Liabilities*	5.13	7.07
Other Financial Charges	0.93	8.75
Total	6.06	15.82

* Refer Note 33

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 26 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	12.52	6.34
Depreciation on Right to Use Assets*	22.87	22.87
Amortisation of Intangible Assets	0.21	0.00
Total	35.60	29.21

* Refer Note 33

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 27 Other Expenses		
Manufacturing Expenses		
Consumption of Stores, Spares and Chemicals	0.00	0.06
Power and Fuel	2.76	2.71
Factory Expenses	2.97	2.57
Repairs & Maintenance - Buildings	3.14	5.42
Repairs & Maintenance - Others	15.41	11.17
	24.28	21.93
Selling and Distribution Expenses		
Advertisement	0.00	0.13
	0.00	0.13
Establishment Expenses		
General Charges	69.92	51.18
Legal and Professional Charges	208.25	160.81
Rent	64.50	64.80
Insurance	9.97	8.56
Rates and Taxes	9.91	9.87
Auditors' Remuneration (Refer Note 27.01)	6.30	5.29
Corporate Social Responsibility (Refer Note 27.02)	30.81	24.70
Bad and Doubtful Debts / (Recovery) on ECL	(41.26)	11.19
Exchange (Gain) / Loss	0.00	(0.88)
	358.40	335.52
Total	382.68	357.58

Notes annexed to and forming part of the Financial Statements (Contd.)

(Rs. in Lakhs)

	2021-22	2020-21
27.01 Payment to Auditors:		
Statutory Audit Fees	2.25	2.25
Limited review	3.00	3.00
Certification Fees	1.00	0.01
Reimbursement of out of Pocket Expenses	0.05	0.03
Total	6.30	5.29

27.02 Corporate Social Responsibility:

- As per section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Healthcare, including preventive Healthcare, promoting Education, Environmental Sustainability and promotion and development of traditional art etc. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.
- Additionally the company gives preference to the local area(s) of its operations for CSR activities. The company believes that CSR should be in the filled(s) which have substantial social impact and which co-relate with philosophy of the company to improve the quality of Life. The CSR committee will further identify the project which can covered under the CSR guidelines in compliance with the CSR objectives and policy of the Company.
- Gross amount required to be spent by the Company during the year is Rs.26.24 Lakhs (previous year Rs.24.61 Lakhs)
- Actual amount spent by the company during the year is Rs.30.81 Lakhs (Previous year Rs.24.70 Lakhs) towards Social welfare and Education Programmes.

(Rs. in Lakhs)

The amounts expended are as follows:	2021-22	2020-21
i) Construction / acquisition of any asset	0.00	0.00
ii) for purposes other than (i) above	30.81	24.70
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year:	NIL	
(ii) The total of previous years' shortfall amounts;	NIL	
(iii) The reason for above shortfalls by way of a note;	N.A	
(iv) The nature of CSR activities undertaken by the Company.	Social welfare and Education Programmes.	

Notes annexed to and forming part of the Financial Statements (Contd.)

	(Rs. in Lakhs)	
	2021-22	2020-21
Note: 28 Other Comprehensive Income		
Items that will not be Reclassified to Profit or (Loss)		
(i) Changes in Revaluation Surplus:		
Actuarial Gain/(Loss) on Gratuity	3.26	3.15
Actuarial Gain/(Loss) on Leave Encashment	0.00	(1.50)
Gain/(Loss) on Revaluation of Investments	0.00	(121.88)
	3.26	(120.23)
(ii) Income tax relating to items that will not be reclassified to Profit or (Loss)		
Deferred Tax	0.00	(8.80)
Total	3.26	(129.03)

	(Rs. in Lakhs)	
	2020-21	2019-20
Note: 29 Earning Per Share		
(a) Net Profit attributable to shareholders (Rs. in Lakhs) from Continuing Operations	78.78	(20.91)
(b) Net Profit attributable to shareholders (Rs. in Lakhs) from Discontinued Operations	(511.40)	1469.38
(c) Basic and Diluted Earnings per share (Rs.) from Continuing Operations	0.04	(0.01)
(d) Basic and Diluted Earnings per share (Rs.) from Discontinued Operations	(0.23)	0.66
(e) Weighted average number of Equity Shares outstanding (nos.)	222064440	222064440
(f) Face Value per equity share (Rs.)	1.00	1.00

Note: 30 Contingent Liabilities:

The Company does not have any claims or contingent Liabilities for the year. (Previous year: NIL)

Note: 31 Capital Management:

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. The capital structure of the Company consists of debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, External-commercial borrowings and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Notes annexed to and forming part of the Financial Statements (Contd.)

The Company is not subject to any externally imposed capital requirements.

The Gearing Ratio at the end of the reporting period was as follows:

Particulars	31st March, 2022	31st March, 2021
Total Debt (Rs.in Lakhs)	0.00	0.00
Total Equity (Rs.in Lakhs)	13372.12	13801.48
Debt to Equity Ratio	0.00%	0.00%

Note: 32 Financial Instruments:

32.01 Categories of Financial Instruments and Fair Value Measurement:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 – Fair Value Measurement. An explanation of each level is as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

Notes annexed to and forming part of the Financial Statements (Contd.)

Additional Information to Financial Statements for the year ended 31st March, 2022

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31st March, 2022 and 31st March, 2021:

Particulars	(Rs. in Lakhs)			
	As at 31st March, 2022			
	Carrying Amount / Fair Value	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
(i) Investments	3366.47	3366.47		
(ii) Trade receivables	0.00			
(iii) Cash and cash equivalents	72.04			
(iv) Bank balances other than (iii) above	66.71			
(v) Loans and Advances	72.81			
(vi) Others financial assets	0.00			
At FVTPL				
(i) Investments	5631.77	5631.77		
(ii) Others financial assets	0.00			
At FVTOCI				
(i) Investments	0.00			
(ii) Others financial assets	0.00			
Financial Liability				
At Amortised Cost				
(i) Borrowings	0.00			
(ii) Trade Payables	29.97			
(iii) Other financial liabilities	32.22			
At FVTPL				
(i) Other financial liabilities	0.00			
At FVTOCI				
(i) Borrowings	0.00			
(ii) Trade Payables	0.00			
(iii) Other financial liabilities	0.00			

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes annexed to and forming part of the Financial Statements (Contd.)

32.02 Financial Risk Management Framework:

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Outstanding customer receivables are regularly monitored. The Company maintains its cash and cash equivalents and deposits with banks having good reputation and high quality credit ratings.

In addition, the Company is exposed to credit risk in relation to deposits related to lease premises. These deposits are not past due or impaired.

Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Following is the summary of undrawn borrowing facilities that the company has at its disposal to further reduce liquidity risk:

(Rs.in Lakhs)		
Particulars	31st March, 2022	31st March, 2021
Working Capital Loan		
Amount Used	0.00	0.00
Amount Unused	0.00	0.00

Foreign Currency Risk Management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Foreign Currency Exposure:

The Company does not have Foreign Currency exposure as on reporting date.

Notes annexed to and forming part of the Financial Statements (Contd.)

Note: 33 Leases:

The Company has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration

- The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9% and still continued to this year

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	67.25	87.96
Additions during FY 2021-22	-	-
Deletion during the year	-	-
Finance costs incurred during the year	5.13	7.07
Payments of Lease Liabilities	27.78	27.78
Balance as at 31st March, 2022	44.60	67.25

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year.

Refer note -1 "Property, Plant & Equipments & Intangible Assets".

Notes annexed to and forming part of the Financial Statements (Contd.)

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year (Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenses related to Short Term Lease & Low Asset Value Lease		
- Finance Cost	5.13	7.07
- Depreciation	22.87	22.87
Total Expenses	28.00	29.94

(iv) Maturity analysis of lease liabilities (Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	26.52	22.64
One to five years	18.08	44.61
More than five years	-	-
Total undiscounted Lease Liability	44.60	67.25
 Balances of Lease Liabilities		
Non Current Lease Liability	18.08	44.61
Current Lease Liability	26.52	22.64
Total Lease Liability	44.60	67.25

Notes annexed to and forming part of the Financial Statements (Contd.)

Note: 34 Discontinued Operations:

The Company has discontinued its business of manufacturing of Polyester Chips and Partially Oriented Yarn (POY) at Jolwa Location.

	(Rs. in Lakhs)	
	2021-22	2020-21
Income:		
Revenue from Operations	1687.43	13114.42
Other Income	1.22	2.57
Total Income	1688.65	13116.99
Expenses:		
Cost of Materials Consumed	1124.95	9148.71
Purchases of Stock-In-Trade	233.01	0.00
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	114.23	22.63
Employee Benefits Expense	71.14	134.96
Finance Costs	0.00	0.20
Depreciation and Amortisation Expense	7.19	9.55
Other Expenses	263.61	2018.23
Total Expenses	1814.13	11334.28
Profit / (Loss) before tax	(125.48)	1782.71
Tax Expenses	385.92	313.33
Profit / (Loss) for the year	(511.40)	1469.38
Other Comprehensive Income / (Loss)	0.00	0.00
Total Comprehensive Income / (Loss) for the year	(511.40)	1469.38

Notes annexed to and forming part of the Financial Statements (Contd.)

Note: 35 Ratio Analysis:

Only Continuing Operation Activity Figures are considered for making of Financials Ratios

Ratios	Numerator	Denominator	31st March, 2022	31st March, 2021	% Variance	Reason for Variance*
(a) Current Ratio	Current Assets	Current Liabilities	11.64	35.76	-67.44%	Discontinued of Manufacturing Operations in Current FY
(b) Debt-Equity Ratio,	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	Equity Capital	-	-		The Company does not have any Debt,so the ratio cannot be calculated
(c) Debt Service Coverage Ratio,	Net profit after taxes + Exception items + Noncash operating expenses (depreciation) + Finance costs + Other adjustments	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	-	-		The Company does not have any Debt,so the ratio cannot be calculated
(d) Return on Equity Ratio,	Net Profit after taxes	Average Shareholder's Equity	0.60%	-0.17%	456.62%	Better Returns on Investments
(e) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory	-	0.19	-100.00%	Discontinued of Manufacturing Operations in Current FY
(f) Trade Receivables turnover ratio,	Sale of Products	Average Trade Receivables	-	-		The Company does not have any Receivables,so the ratio cannot be calculated
(g) Trade payables turnover ratio,	Net Purchase during the Year	Average Trade Payables	-	0.45	-100.00%	Discontinued of Manufacturing Operations in Current FY
(h) Net capital turnover ratio,	Sale of Products	Working Capital	-	-		Discontinued of Manufacturing Operations in Current FY
(i) Net profit ratio,	Net Profit after taxes	Sale of Products	-	-		Discontinued of Manufacturing Operations in Current FY
(j) Return on Capital employed,	Earnings before interest and taxes (Loss before taxes + Finance costs)	Capital employed (Tangible Net worth + Total Debt)	0.16%	-0.33%	149.21%	Better Returns on Investments
(k) Return on investment.	Income on Investment	Cost of Investment	6.56%	6.43%	1.93%	

* Reasons for Variance are only provide for the change in the ratio by more than 25% as compared to the ratio of Preceding year.

Notes annexed to and forming part of the Financial Statements (Contd.)

Note: 36 Segment Reporting:

The Company's business segment consists of a single segment of "Textiles" in accordance with Ind AS 108 - 'Operation Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2015. The Company is not relied on single major customers having transaction more than 10% of total revenue. Information with respect to geographical segment, to the extent applicable is as follows:

(Rs. in Lakhs)		
Segment Revenue - Geographic Segment by Location of Customer	2021-22	2020-21
Within India	1687.43	13002.69
Outside India	0.00	111.73
Total	1687.43	13114.42

Note: 37 As per Regulation Ind AS 24, the disclosures of transactions with the related party are given below:

37.01 List of related parties where controls exists and Relationships:

S r . No.	Name of Related Party	Nature of Relationship
1	Vareli Trading Company Limited	Group Company
2	M/s. Isha Enterprises	Partnership Firm
3	Mr. Manikant R. Momaya - Managing Director	Key Managerial Personnel (KMP)
	Mr. Yogesh C. Papaiya - Wholetime Director & CFO	
	Mr. Paresh V Chothani - Wholetime Director	
	Mr. Harishchandra B. Bharucha - Non Executive Director	
	Mr. Ketan A. Jariwala - Non Executive Director	
	Ms. Kruti Kothari - Non Executive Director	
	Mr. Chinmay M. Methiwala - Company Secretary	
4	Sorrento Textiles Private Limited	Enterprises over which Key Managerial Personnel are able to exercise significant influence

Note: Related party Relationship is as identified by the Company and relied upon by the Auditors.

Notes annexed to and forming part of the Financial Statements (Contd.)

37.02 Transactions During the year with Related Parties:

(Rs. in Lakhs)

S r . No.	Name and Nature of Transactions of Related Parties	Relationship	2021-22	2020-21
1	Leave & Licence Fees & Reimbursement of Expenses			
	Sorrento Textiles Private Limited	Group Company	81.89	82.00
2	Payment to Key Managerial Personnel and their Relatives*			
	Mr. Manikant R. Momaya	KMP	8.40	7.72
	Mr. Yogesh C. Papaiya	KMP	28.71	25.40
	Mr. Paresh V Chothani	KMP	2.00	0.00
	Mr. Harishchandra B. Bharucha	KMP	3.05	2.13
	Mr. Ketan A. Jariwala	KMP	3.05	2.13
	Ms. Kruti G Kothari	KMP	3.03	2.08
	Mr. Chinmay M. Methiwala	KMP	4.44	0.00
3	Proceeds Received on Dissolution of Partership Firm			
	M/s. Isha Enterprises	Partnership Firm	15.02	0.00
	Balance as at 31st March, 2022			
	Sorrento Textiles Private Limited	Group Company		
	- Trade Payables		7.44	0.00

*Payment to Key Managerial Personnel and their Relatives are Short-term benefits.

Note: 38 Income in Foreign Currency:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Sales - Export	0.00	111.73

Note: 39

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2022.

Note: 40

Contribution to Political parties during the year 2021-22 is Rs.Nil (Previous Year Rs.Nil).

Note: 41

Pursuant to the approval of shareholders of the Company by way of postal ballot process on 12th February, 2022, and in terms of the powers delegated, the Board of Directors of the Company have entered into the necessary definitive agreements & executed the same on 29th April, 2022, for sale of its assets of Manufacturing Division situated at Village Jolwa, Taluka Palsana, Dist. Surat ('Undertaking'), together with all specified tangible, including land, buildings, and plant & machineries in relation to the Undertaking, by way of an asset transfer on a 'Going Concern' basis on an 'as is, where is and what is' to Garden Silk Mills Private Limited.

Notes annexed to and forming part of the Financial Statements (Contd.)

The Bifurcation of certain amounts w.r.t the discontinued and continuing operations has been incorporated in the financial results is based on management evaluation, estimates and judgements.

This event is the post balance sheet unadjustable event as of 31-March-2022. Accordingly the non-current assets of the company are classified as assets held for sale as on 31-March-2022 and the results of the operations have been classified as Discontinued operations.

Note: 42

Garden Silk Mills Private Limited (formerly, Garden Silk Mills Limited), one of the Promoter Group Company holding 60,75,000 (Previous year: 1,45,00,000) Equity Shares of Rs.1 each fully paid up in the Company, had submitted its request for their reclassification from Promoter and Promoter Group Category to Public Category in the shareholding pattern of Surat Textile Mills Limited, pursuant to Regulation 31A of SEBI (LODR) Regulations, 2015.

The Board of Directors of the Company at its meeting held on 31st March, 2021 subject to approval of shareholders and stock exchange, approved the proposal for re-classification of Garden Silk Mills Private Limited from 'Promoter and Promoter Group' category to 'Public' category in the shareholding pattern of Surat Textile Mills Limited.

In response to the Company's application for Re-classification of Garden Silk Mills Private Limited from the 'Promoter and Promoter Group' category to the 'Public' category and based on submissions made by the Company, BSE Limited granted its approval on 11th January, 2022, in accordance with the provisions of Regulation 31(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note: 43

During the financial year, as directed by the Hon'ble NCLT Ahmedabad Bench vide it's Order dated 16th August, 2021, in response to the Company's application to Hon'ble NCLT seeking appropriate directions for convening and holding of the meeting of the Equity Shareholders of the Company (Applicant Transferee Company), the Company has convened meeting of its shareholders on 7th October, 2021 and approved the Scheme of Arrangement between Vareli Trading Company Limited (Applicant Transferor Company) and Surat Textile Mills Limited (the Transferee Company) with requisite majority. This is subject to approval of NCLT.

Note: 44 Benami Property

There are no any proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note: 45

The Company has No borrowings from banks or financial institutions on the basis of security of current assets.

Note: 46

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

Note: 47

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the intermediary shall:

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

Notes annexed to and forming part of the Financial Statements (Contd.)

Note: 48

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

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

Note: 49

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note: 50 Wilful Defaulter

The Company has not declared Wilful Defaulter by any bank or financial institutions or any other lender.

Note: 51 Relationship with Struck off Companies

The Company has not done any transactions with companies struck off under section 248 of the Companies Act, 2013.

Note: 52 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

Note: 53

Figures for the previous year have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors

Yogesh C Papaiya

Wholetime Director and CFO

DIN: 00023985

Paresh V. Chothani

Wholetime Director

DIN: 00218632

Chinmay M. Methiwala

Company Secretary

Surat, 30th May, 2022



Notes annexed to and forming part of the Financial Statements (Contd.)





SURAT TEXTILE MILLS LIMITED