



NEELAM LINENS AND GARMENTS (INDIA) LIMITED

Formerly known as Neelam Linens and Garments (India) Private Limited

CIN U17299MH2010PLC208010

STATEMENT OF

AUDITED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2023

CORPORATE INFORMATION

Board of Directors & Key Managerial Personnel

| | |
|-----------------------------|--|
| Kantilal Jivram Jethva | : Executive Director & Chairman |
| Bhavin Kantilal Jethwa | : Managing Director |
| Janki Bhavin Jethwa | : Non-Executive Non-Independent Director |
| Manish Dwarkaprasad Kamalia | : Independent Director (wef 22/09/2022) |
| Narendra Ravjibhai Patel | : Independent Director (wef 22/09/2022) |
| Manjula Kantilal Jethva | : Director (upto 22/09/2022) |
| Siddhi Ronit Shah | : Company Secretary (upto 01/09/2023) |
| Chetan Dinesh Solanki | : Chief Financial Officer (wef 16/08/2022) |

Contact Information

Registered Office Address: -

446-447, 4th Floor, Shah & Nahar Industrial Estate Sitaram Jadav Marg, Lower Parel, Delisle Road, Mumbai- 400013.

Factory Address:-

Bldg No A/3 1st Floor Gala Nos. 101 to 108 Prithvi Complex Kalher Village Taluka Bhiwandi Thane 421302.

Bldg No A/3 Second Floor Gala Nos. 201 to 208 Prithvi Complex Kalher Village Taluka Bhiwandi Thane 421302.

Landline +91 22 6747 0022

Mobile +91 7021 34 7021

Email: - compliance@neelamgarments.com

Website: www.neelamgarments.com

Contact Information for Investor Grievance Redressal

Contact Person: Mr. Bhavin Kantilal Jethwa (Managing Director)

Address: 446-447, 4th Floor, Shah & Nahar Industrial Estate Sitaram Jadav Marg, Lower Parel, Delisle Road, Mumbai - 400013.

Email: compliance@neelamgarments.com

Share Transfer Agents

Purva Share Registry (India) Private Limited
Shiv Shakti Industrial Estates, Unit No. 9,
7-B J. R. Boricha Marg, Sitaram Mills Compound,
Mumbai 400011, Maharashtra, India

Tel: +91 22 23016761

Email: support@purvashare.com

Statutory Auditor

M/s MASD & Co.

Chartered Accountants

CORPORATE OVERVIEW

ABOUT US

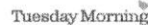
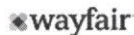
Neelam Garments is India's Largest Supplier of High Thread count and High-end bedding all over the world. We are Manufacturing for companies like Ikea in Europe, Line Source, Macys, Walmart in USA and Bombay dyeing in India.

Welcome to the world of High Thread count Luxurious bedding. High Thread count bedding is used in all the western countries as it is considered to be the status symbol for the rich, as the higher the count the better the fabric. Neelam Garments is India's 1st company to Launch High Thread count bedding as we believe India is no longer behind and the Indian standards and quality matches that of the other western countries and we should deserve better than the rest.

What exactly is thread count? It is simply a measure of how many threads warp (lengthwise) and weft (widthwise) are woven into one square inch of fabric. The thread count of "standard" cotton. The one which is being used by most of the company is 150 Thread count, some company use around 180 Thread count Improvements in spinning and milling technologies have pushed up the numbers, thread counts up to 1200. Fine lines begin with Higher Thread count, to get higher Thread count you require high quality of the cotton that depends on the length of the individual fibers the longer the staple the better the cotton longer staples can be combed finer to remove small fibers allowing the cotton to be spun into finer textured with more tensile strength and woven into a softer more lustrous and luxurious fabric.

Some of the people using High Thread Count: Bill Gate, Donald Trump, Brad Pitt, Angelina jolie, Calvin Klein.

OUR CLIENTELE



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 12TH ANNUAL GENERAL MEETING OF NEELAM LINENS AND GARMENTS (INDIA) LIMITED [FORMERLY KNOWN AS NEELAM LINENS AND GARMENTS (INDIA) PRIVATE LIMITED] WILL BE HELD ON SATURDAY THE 30TH DAY OF SEPTEMBER 2023 AT 2 PM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 446-447, 4TH FLOOR, SHAH & NAHAR INDUSTRIAL ESTATE SITARAM JADAV MARG, LOWER PAREL, DELISLE ROAD MUMBAI 400013.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the financial year ended on 31st March 2023 and the Reports of the Directors and the Auditors thereon.

**For and behalf of NEELAM LINENS AND GARMENTS (INDIA) LIMITED
[Formerly known as Neelam Linens and Garments (India) Private Limited]**



**Kantilal Jivram Jethva
Chairman & Director
DIN: 03111562**

NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxy to attend and vote instead of himself /herself. Such a proxy/ proxies need not be a member of the company.
- In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the registered office of the company not later than forty-eight hours.
- A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the company carrying voting rights may appoint a single person only as a proxy and such person shall not act as proxy for other shareholder.
- Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act 2013, are requested to send the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- The register of directors and key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and the register of contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- Members, proxies and Authorized representative are requested to bring to the meeting; the attendance slips enclosed duly completed and signed mentioning therein details of their Folio No.
- In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
- Pursuant to section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13 to the Registrar and Transfer Agent of the Company. Further, members desirous of cancelling / varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14, to the Registrar and Transfer Agent of the Company.
- All documents referred to in the accompanying notice will be available for inspection at the corporate office of the company during business hours on all working days up to the date of declaration of the result of the AGM of the Company.
- In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of name appears as per the Register of Members of the Company will be entitled to vote.
- The Route map to the venue of the AGM is published in the Annual Report.
- The voting on each item of the notice shall be done by polling paper [Form No. MGT-12] which is annexed to this Annual Report and which will also be distributed at the venue of the AGM during voting.

DIRECTOR'S REPORT

Dear Members,

The Board of Directors ("Board") of Neelam Linens and Garments (India) Limited ("The Company") with immense pleasure present their Report on the business and operations of your company together with the audited financial statements for the financial year ended 31st March, 2023.

1. FINANCIAL HIGHLIGHTS.

The Company's performance during the financial year ended 31st March, 2023 is summarized in the following table.

| Particulars | Amount in Rs. | |
|------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
| Total Income | 1,05,41,12,563 | 1,03,79,68,599 |
| Total expenses | 1,02,27,44,939 | 99,94,54,526 |
| Profit/ (Loss) before Tax | 3,13,67,624 | 3,85,14,073 |
| Tax Expenses | 88,57,383 | 91,44,580 |
| Profit / (Loss) for the year | 2,25,10,242 | 2,93,69,493 |

2. TRANSFER TO RESERVES.

There are no transfers to any specific reserves during the year.

3. THE STATE OF THE COMPANY'S AFFAIRS.

During the year under review, your Company achieved total revenue from operations of Rs.1,05,41,12,563/- (previous year Rs. 1,03,79,68,599) resulting in increase of 1.56% over the previous year.

The profit after tax is at Rs. 2,25,10,242/- (previous year Rs. 2,93,69,493)/- resulting in decrease of 23.35%

4. DIVIDEND.

Your directors do not recommend dividend for the year ended March 31, 2023.

5. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY.

During the financial year there is no change in the nature of business of the Company.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

There was no transfer during the year to the Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

7. CONSERVATION OF ENERGY-TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE ETC.

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section, 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure A** to Director's Report.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

The particulars of investments made and loans given to subsidiaries has been disclosed in the financial statements in **note 4** of the financial statements.

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9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.

All Related Party Transactions entered into by the Company during the financial year were in the ordinary course of business of the Company and on arm's length basis. There were no materially significant related party transactions entered into during the year by the Company with its Promoter(s) Group, Directors, Key Managerial Personnel or other related parties which could have a potential conflict with the interest of the Company.

All Related Party Transactions were reviewed and approved by the Board. Prior approval is obtained for the transactions which are foreseen or are recurring in nature.

A statement of all related party transactions was presented before the Board specifying the relevant details of the transactions.

Since all Related Party Transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 as prescribed pursuant to Section 134 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

10. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE.

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy.

The Company is in the process of complying with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which redresses complaints received on sexual harassment.

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

11. ANNUAL RETURN.

A weblink of Annual Return for the financial year ended March 31, 2023 in Form MGT - 7 as required under Section 92(3) read with Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014 is available on the Company's website at www.neelamgarments.com

12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW.

During the financial year, the Board met Sixteenth times on 14/04/2022, 29/04/2022, 07/06/2022, 01/07/2022, 02/07/2022, 08/07/2022, 18/07/2022, 26/07/2022, 01/08/2022, 16/08/2022, 01/09/2022, 22/09/2022, 29/09/2022, 30/10/2022, 30/01/2023 and 17/03/2023.

The details of the board meeting and the attendance of the directors are provided below:

| Sr. No | Name | No. of Board meeting held | Meetings attended |
|--------|-------------------------------|---------------------------|-------------------|
| 1 | Bhavin Kantilal Jethwa | 16 | 16 |
| 2 | Kantilal Jivram Jethva | 16 | 16 |
| 3 | Manjula Kantilal Jethva* | 16 | 12 |
| 4 | Janki Bhavin Jethwa | 16 | 16 |
| 5 | Manish Dwarkaprasad Kamalia** | 16 | 4 |
| 6 | Narendra Ravjibhai Patel** | 16 | 4 |

*ceased to be Director wef September 22, 2022

**appointed as Additional Independent Director wef September 22, 2022

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The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

13. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 The Board of Directors of the Company hereby confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2023, and that of the profit of the Company for the year ended on that date.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the annual accounts have been prepared on a going concern basis.
- The Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

15. DIRECTORS

During the financial year 2022-2023 following Directors or Key Managerial Personnel were appointed/resigned:

- Mrs. Siddhi Ronit Shah was appointed as Company Secretary of Company wef 16/08/2022 and resigned with effect 01/09/2023;
- Mr. Chetan Dinesh Solanki was appointed as Chief Financial Officer [KMP] of the Company with effect from 16/08/2022;
- Mr. Manish Dwarkaprasad Kamalia was appointed as Additional Independent Director with effect from 22/09/2022;
- Mr. Narendra Ravjibhai Patel was appointed as Additional Independent Director with effect from 22/09/2022;
- Mrs. Manjula Kantilal Jethva, has resigned as Director of the Company with effect from 22/09/2022.

16. DECLARATION OF INDEPENDENT DIRECTORS.

During the financial year there Mr. Manish Dwarkaprasad Kamalia and Mr. Narendra Ravjibhai Patel were appointed as Independent Director on the Board of the Company wef 22/09/2022.

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(7) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

17. AUDIT COMMITTEE.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder.

The Audit Committee comprises of;

| | |
|-----------------------------|----------------------------------|
| Manish Dwarkaprasad Kamalia | : Independent Director, Chairman |
| Narendra Ravjibhai Patel | : Independent Director |
| Bhavin Kantilal Jethwa | : Managing Director |

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.



18. NOMINATION AND REMUNERATION COMMITTEE.

The Company had constituted the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee comprises of;

| | |
|----------------------------|--|
| Manish DwarkaprasadKamalia | : Independent Director, Chairman |
| Narendra RavjibhaiPatel | : Independent Director |
| Janki Bhavin Jethwa | : Non-Executive Non-Independent Director |

19. STATUTORY AUDITORS.

The Members at the 12th Annual General Meeting, appointed M/s. MASD & Co. Chartered Accountants (FRN:146249W), as Statutory Auditors of your Company for a period of 5 years from the conclusion of the 12th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2027, based on the recommendation of the Board of Directors.

20. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

21. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint ventures and associate companies.

22. REPORTING OF FRAUD BY AUDITORS.

During the year under review, the Internal Auditors, Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

23. PARTICULARS OF EMPLOYEES:

There was no employee in receipt of remuneration exceeding the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

24. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED DURING THE FINANCIAL YEAR OF THE COMPANY IS AS FOLLOWS:

- The Authorised share capital of the Company from existing Rs. 20,00,000/- (Rupees Twenty Lakhs Only) divided into 2,00,000 (Two Lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000/- (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, thereby creating an additional 1,08,00,000 (One Crore Eight Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) aggregating to Rs. 10,80,00,000/- (Rupees Ten Crore Eighty Lakhs Only) in the Extra Ordinary General Meeting of the members held on Friday 01st July 2022.
- The Board of Directors in the Board Meeting held on 02nd July 2022 have allotted made allotment of 60,00,000 equity shares through bonus Share in the ratio of 30:1 i.e. 30 (Thirty) Equity Shares for every 1 (One) Equity Shares to those members whose name appeared in the Register of Members as on the Record Date i.e. 01st July 2022.
- The Board of Directors in the Board Meeting held on 26th July,2022 have made allotment of 12,00,000 equity shares on preferential allotment basis to the non-promoter (public category) at an issue price of Rs. 33/- (Rupees Thirty-Three Only) and as approved by the in the Extra Ordinary General Meeting of the members held on Saturday 16th July 2022.
- Pursuant to the approval of members in the Extra Ordinary General Meeting held on 12th August 2022, the Ministry of Corporate Affairs have issued Certificate of Incorporation Consequent upon conversion to Public Limited Company with effect from 01st September 2022.

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Apart from the above there are no material changes and commitments affecting the financial position of the Company occurred during the financial year.

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

During the year there has been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

26. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS.

Your Directors hereby confirm that the Company has complied with the necessary provisions of the revised Secretarial Standard 1 and Secretarial Standard 2 to the extent applicable to the Company.

27. CHANGES IN STRUCTURE OF SHARE CAPITAL, IF ANY:

There was following change in the capital structure of the Company during the year under review:

- The Authorised share capital of the Company from existing Rs. 20,00,000/- (Rupees Twenty Lakhs Only) divided into 2,00,000 (Two Lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000/- (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, thereby creating an additional 1,08,00,000 (One Crore Eight Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) aggregating to Rs. 10,80,00,000/- (Rupees Ten Crore Eighty Lakhs Only) in the Extra Ordinary General Meeting of the members held on Friday 01st July 2022.
- The Board of Directors in the Board Meeting held on 02nd July 2022 have allotted made allotment of 60,00,000 equity shares through bonus Share in the ratio of 30:1 i.e. 30 (Thirty) Equity Shares for every 1 (One) Equity Shares to those members whose name appeared in the Register of Members as on the Record Date i.e. 01st July 2022.
- The Board of Directors in the Board Meeting held on 26th July, 2022 have made allotment of 12,00,000 equity shares on preferential allotment basis to the non-promoter (public category) at an issue price of Rs. 33/- (Rupees Thirty-Three Only) and as approved by the in the Extra Ordinary General Meeting of the members held on Saturday 16th July 2022.

As on March 31, 2023, the Authorised Issued, Subscribed and Paid-up Share Capital of the Company were as follows: -

- Authorised Share Capital Rs. 11,00,00,000/- divided into 1,10,00,000 Equity Shares of Rs. 10/-.
- Issued, Subscribed and Paid-up Share Capital Rs. 7,40,00,000/- divided into 74,00,000 Equity Shares of Rs. 10/-

28. COMMITTEES OF BOARD OF DIRECTORS:

During the financial year there was no requirement to form any committee.

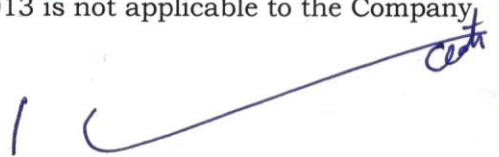
As on date of this report the Company has constituted various Committees of the Board in accordance with the requirements of the Act, namely, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee which have been established in compliance with the requirements of the relevant provisions of applicable laws and statutes.

29. ORDER PASSED BY REGULATOR OR COURTS OR TRIBUNALS:

There are no orders passed by the Regulator/Courts/Tribunals impacting the going concern status of the Company and its operations.

30. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company for the year under review.

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31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2022-23.

32. MAINTENANCE OF COST RECORDS:

The provision of Cost Audit pursuant to section 148 is not applicable on the Company during the year under review.

33. APPLICATION/ PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There were no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.

34. COMPLIANCE OF SECRETARIAL STANDARD:

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

35. SECRETARIAL AUDIT REPORT:

Secretarial Audit is not applicable to the Company during the year under review.

36. ENHANCING SHAREHOLDER VALUE.

Your Company firmly believes that its success, the marketplace and a good reputation are among the primary determinants of value to the shareholder. The organisational vision is founded on the principles of good governance and delivering leading-edge products backed with dependable after sales services. Following the vision your Company is committed to creating and maximising long-term value for shareholders.


37. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

38. ACKNOWLEDGEMENTS

Your directors take this opportunity to express their sincere appreciation and gratitude for the continued co-operation extended by shareholders, employees, customers, banks, suppliers and other business associates.

For and behalf of NEELAM LINENS AND GARMENTS (INDIA) LIMITED
[Formerly known as Neelam Linens and Garments (India) Private Limited]



Kantilal Jivram Jethva
Chairman & Director
DIN 03111562
Date: 05/09/2023

Annexure A of Directors Report
(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy; Nil
- (ii) the steps taken by the company for utilising alternate sources of energy; Nil
- (iii) the capital investment on energy conservation equipment's; Nil


(B) Technology absorption-

- (i) the efforts made towards technology absorption; Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil
 - (a) the details of technology imported; Nil
 - (b) the year of import; Nil
 - (c) whether the technology been fully absorbed; Nil
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

(C) Foreign exchange earnings and Outgo-

| Particulars | 31st March 2023 |
|---------------------------|---------------------|
| Foreign exchange earned | Rs. 36,83,49,525.23 |
| Foreign exchange expended | 0 |

For and behalf of NEELAM LINENS AND GARMENTS (INDIA) LIMITED
[Formerly known as Neelam Linens and Garments (India) Private Limited]


Kantilal Jivram Jethva
Chairman & Director
DIN 03111562
Date: 05/09/2023

Independent Auditor's Report

To the Members of
Neelam Linens And Garments (India) Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Neelam Linens And Garments (India) Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraphs

Attention is invited to following in the standalone financial statements:

Company has restated previous years Financial Statement. Please refer Note 42 where relevant disclosures that describe the matter can be found.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of the Company's management. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position & financial performance in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that are operating effectively ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs specified under Section 143(10) of the Act, 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 financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

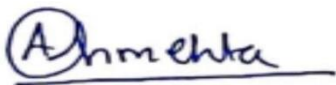
- c. The Balance Sheet, the Statement of Profit and Loss and statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure 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 has pending litigations and the same has been disclosed in Note No. 32 of financial statement.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses as at 31st March 2023.
 - (iii) There were no amounts that 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 thelike on behalf of the Ultimate Beneficiaries;

(b) 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.

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 “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MASD & Co.
Chartered Accountants
FRN – 146249W





Aakash Mehta
Partner
M. No - 165824
Date - September 05, 2023
UDIN-23165824BGYSQN9373

Annexure “A” to the Independent Audit Report

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

i. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

ii. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once in every three year. Property, Plant and Equipment 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 and explanations given to us, the company does not have any immovable property in its books which is held in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

iii. (a) The Company has a policy of physical verification of the inventory once in a year and the procedure adopted in inventory verification was considered appropriate and the discrepancies if any has been considered in books accordingly.

iv.

(a) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate during the year, from banks on the basis of security of current assets.

(b) There are variations in the stock statements submitted to the bank and the particulars as in the books of accounts and the same is disclosed in the below table:

(i) Books reconciliation with Statement submitted to bank as on 31 March 2023

| Particulars | As per Books | As per Statements | Differences | Reasons |
|----------------|--------------|-------------------|-------------|---|
| Inventory | 4833.62 | 4833.62 | - | - |
| Sundry Debtors | 1848.81 | 1475.22 | 373.59 | Only debtors outstanding for less than 3 Months were reported to the bank |

iii.(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The company has not made any investments or granted loans hence reporting under clause 3(iii)(b) is not applicable

(c) The company has not granted loans hence reporting under clause 3(iii)(c) is not applicable

(d) As company has not provided loans, hence reporting under clause 3(iii)(d) is not applicable

(e) On an overall examination of the financial statements of the Company, it has no existing loans or advance in its books of accounts from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, and hence reporting under this clause is not applicable.

(f) On an overall examination of the financial statements of the Company, it has not granted any loans or advances during the year, and hence reporting under this is not applicable.

iv. According to the information and explanations given to us, the Company has not made any loans or investments which require compliance with the provisions of section 185 and Section 186 of the Companies Act, 2013.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except for the following dues mentioned hereunder,

| Name of the statute | Nature of the dues (Including interest and penalty, as the case may be) | Amount (₹) | Period to which the amount relates |
|------------------------------------|--|-------------------|---|
| Income Tax | Tax, Interest and Penalty | 21,59,323 | FY 2022-23 |
| Indirect Tax (Goods & Service Tax) | Tax, Interest and Penalty | 1,77,010 | FY 2019-20 |
| Income Tax | Tax, Interest and Penalty | 2,41,58,196 | FY 2021-22 |
| Income Tax | Tax, Interest and Penalty | 1,90,310 | FY 2020-21 |
| Income Tax | Tax, Interest and Penalty | 2,02,73,376 | FY 2019-20 |
| Income Tax | Tax, Interest and Penalty | 22,59,750 | FY 2018-19 |
| Income Tax | Tax, Interest and Penalty | 32,10,930 | FY 2017-18 |
| Income Tax | Tax, Interest and Penalty | 4,04,590 | FY 2016-17 |

| | | | |
|------------|---------------------------|-----------|------------|
| Income Tax | Tax, Interest and Penalty | 18,76,110 | FY 2015-16 |
| Income Tax | Tax, Interest and Penalty | 8,70,150 | FY 2014-15 |
| Income Tax | Tax, Interest and Penalty | 14,99,700 | FY 2013-14 |
| Income Tax | Tax, Interest and Penalty | 7,00,910 | FY 2012-13 |
| Income Tax | Tax, Interest and Penalty | 1,12,680 | FY 2011-12 |

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues which have not been deposited on account of any dispute. Except for the details mentioned in the below table:

| Name of the statute | Nature of the Dues | Amount (Rs.) | Period to which the amount relates | Forum Where dispute is pending |
|----------------------------|---------------------------|---------------------|---|---------------------------------------|
| Income Tax | Tax, Interest & Penalty | 5,29,42,427 | A.Y. 2017-18 | CIT Appeal |

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has taken term loan during the year and the same was utilized for the purpose for which it was obtained.

(d) The Company has taken a short-term loan during the year and the same has not been utilized for the long-term purpose.

(e) On an overall examination of the financial statements of the Company, the Company has no subsidiaries, and hence reporting under this is not applicable.

(f) On an overall examination of the financial statements of the Company, the Company has no subsidiaries and hence reporting under this is not applicable.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) In our opinion and according to the information explanation given to us, the Company has raised money by issuing 12,00,000 equity shares having the face value of Rs.10 at a premium of Rs.23 by way of preferential allotment during the year. The company has complied with the provisions as contained in Companies Act 2013.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) The company has not received any whistle blower complaints during the year hence reporting under clause 3(xi)(c) is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) The company is not required to have Internal Audit as required in Section 138 of the Companies Act, 2013 hence reporting under clause 3(xiv)(a) is not applicable

(b) The company is not required to have Internal Audit as required in Section 138 of the Companies Act, 2013 hence reporting under clause 3(xiv)(b) is not applicable.

xv. 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. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash loss during the current financial year (2022-23) and immediately preceding financial year (2021-2022).

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period

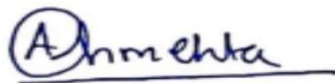
of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) Requirement for Corporate Social Responsibility as per Section 135 of Companies Act, 2013 is not applicable to the Company hence reporting under Clause (xx)(a) is not applicable

(b) Requirement for Corporate Social Responsibility as per Section 135 of Companies Act, 2013 is not applicable to the Company hence reporting under Clause (xx)(b) is not applicable

xxi. Since there is no subsidiary of the company reporting under clause (xxi) is not applicable.

For MASD & Co.
Chartered Accountants



FRN 146249W

Aakash Mehta

Partner

M. No - 165824

Date – September 05, 2023

UDIN - 23165824BGYSQN9373

Annexure “B” to the Independent Audit Report

Report on the internal financial controls over financial reporting under clause (i) of sub –section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s. Neelam Linens And Garments (India) LTD(“the Company”) as at March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for theyear ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financialreporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the guidance note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding 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 judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

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

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

Inherent Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MASD & Co.

Chartered Accountants

FRN – 146249W




Aakash Mehta

Partner

M. No - 165824

Date – September 05, 2023

UDIN- 23165824BGYSQN9373

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
CIN: U17299MH2010PLC208010
Balance Sheet as at 31 March 2023

Final
30/12/23

| Particulars | Note No. | As At 31 March, 2023 Amount in Lakhs | As At 31 March, 2022 Amount in Lakhs |
|---|----------|---|---|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 740.00 | 20.00 |
| (b) Reserves & Surplus | 3 | 1,433.53 | 1,532.43 |
| (2) Non Current Liabilities | | | |
| (a) Long Term Borrowings | 4 | 3,586.25 | 2,673.37 |
| (b) Deferred Tax Liability | 5 | - | - |
| (3) Current Liabilities | | | |
| (a) Short-term Borrowings | 6 | 2,947.78 | 2,436.85 |
| (b) Trade Payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprise | 7 | 337.82 | 24.57 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 840.20 | 1,151.50 |
| (c) Other Current Liabilities | 8 | 44.17 | 10.38 |
| (d) Short-term Provisions | 9 | 103.96 | 95.05 |
| TOTAL EQUITY & LIABILITIES | | 10,033.71 | 7,944.14 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant & Equipment and Intangible Assets | | | |
| (i) Property, Plant and Equipment | 10 | 626.24 | 403.68 |
| (ii) Intangible assets | | 6.59 | 6.59 |
| (b) Deferred Tax Asset | 11 | 12.05 | 25.60 |
| (d) Other Non Current Asset | 12 | 1,404.78 | 1,404.78 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 4,833.62 | 3,933.62 |
| (b) Trade Receivable | 14 | 1,848.81 | 1,776.72 |
| (c) Cash & Cash Equivalents | 15 | 169.20 | 198.46 |
| (d) Short-term loans and advances | 16 | 800.21 | 123.99 |
| (e) Other Current Assets | 17 | 332.21 | 70.70 |
| TOTAL ASSETS | | 10,033.71 | 7,944.14 |
| Corporate Information and Significant Accounting Policies | 1 | | |
| Notes to Accounts | 2 to 43 | | |
| This is the Balance Sheet referred to in our report of even date | | | |

For MASD & Co.
Chartered Accountants
ICAI Firm Registration No. 146249W

Ahmenta

CA Aakash Mehta
Partner
M. No. 165824
Place: Mumbai
Date: September 05, 2023
UDIN: 23165824BGYSQN9373



For and on Behalf of,
Neelam Linens And Garments (India) Limited

Bhavin
Bhavin Jethwa
Managing Director
DIN: 03111560
Place: Mumbai
Date: September 05, 2023

Kanti
Kanti Jethwa
WholeTime Director
DIN: 03111562

Chetan
Chetan Solanki
Chief Financial Officer



Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
CIN: U17299MH2010PLC208010
Statement of Profit and Loss Account for the year ended 31 March 2023

| | Particulars | Note No. | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in Lakhs |
|------|--|----------|--|--|
| I | Revenue from Operations | 18 | 10,356.30 | 10,152.67 |
| II | Other Income | 19 | 184.82 | 227.02 |
| III | Total Income (I+II) | | 10,541.13 | 10,379.69 |
| IV | Expenses | | | |
| | (a) Cost of Material Consumed | 20 | 9,125.85 | 8,843.89 |
| | (c) Employee Benefits Expense | 21 | 48.86 | 19.00 |
| | (d) Finance Costs | 22 | 446.17 | 303.55 |
| | (e) Depreciation and Amotisation Expenses | 23 | 77.49 | 131.95 |
| | (f) Other Expenses | 24 | 529.08 | 696.16 |
| | Total expenses | | 10,227.45 | 9,994.55 |
| V | Profit/ (Loss) before Tax (III-IV) | | 313.68 | 385.14 |
| | Excess IT Provision | | | |
| VI | Tax Expenses | | | |
| | (a) Current Tax expense | | 75.03 | 95.13 |
| | (b) Deferred Tax | 11 | 13.55 | (3.69) |
| VII | Profit / (Loss) for period (V-VI) | | 225.10 | 293.69 |
| VIII | Earning per Equity Share | 25 | | |
| | (1) Basic | | 3.21 | 4.74 |
| | (2) Diluted | | 3.21 | 4.74 |
| | Corporate Information and Significant Accounting Policies | 1 | | |
| | Notes to Accounts | 2 to 43 | | |
| | This is the Balance Sheet referred to in our report of even date | | | |

For MASD & Co.
Chartered Accountants
ICAI Firm Registration No. 146249W

Ahmenta

CA Aakash Mehta
Partner
M. No. 165824
Place: Mumbai
Date: September 05, 2023
UDIN: 23165824BGYSQN9373



For and on Behalf of,
Neelam Linens And Garments (India) Limited .

Bhavin
Bhavin Jethwa
Managing Director
DIN: 03111560
Place: Mumbai
Date: September 05, 2023

Kanti
Kanti Jethwa
WholeTime Director
DIN: 03111562

Chetan
Chetan Solanki
Chief Financial Officer



Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
CIN: U17299MH2010PLC208010
STATEMENT OF CASH FLOW

| Particulars | As on 31 March, 2023 Amount in lakhs | As on 31 March, 2022 Amount in lakhs |
|---|---|---|
| A) Cashflow From Operating Activities | | |
| Net Profit Before Tax | 313.68 | 385.14 |
| Adjustments for: | | |
| Issue of Bonus Shares | | - |
| Depreciation on Fixed Assets | 77.49 | 131.95 |
| Finance Costs | 446.17 | 303.55 |
| Interest Income | (9.64) | (6.73) |
| Operating Profit Before Working Capital Changes | 827.69 | 813.91 |
| Changes in Working Capital | | |
| (Increase)/Decrease in Short Term Provisions for Expenses | 32.77 | |
| (Increase)/Decrease in Trade Receivables | (72.10) | (276.94) |
| (Increase)/Decrease in Other Current Assets | (261.51) | (70.70) |
| (Increase)/Decrease in Inventory | (900.00) | (1,031.61) |
| (Increase)/Decrease in Short-term loans and advances | (676.22) | - |
| Increase/(Decrease) in Trade Payables | (134.31) | 1,104.33 |
| Increase/(Decrease) in Other Current Liabilities | 33.80 | 19.39 |
| Cash generated from Operations | (1,149.88) | 558.37 |
| Less:- Income Tax Paid | (37.40) | (23.78) |
| Net Cash Flow from Operating Activities | (1,112.48) | 582.15 |
| B) Cash Flow From Investing Activities : | | |
| Purchase of Fixed Assets/(Sale of Fixed Asset) | (300.05) | (25.56) |
| Interest Income | 9.64 | 6.73 |
| Deposit | | (60.03) |
| Net Cash Flow from Investing Activities | (290.41) | (78.86) |
| C) Cash Flow from Financing Activities : | | |
| Issue of Share Capital/Debentures | 396.00 | - |
| Increase/(Decrease) in Long Term Borrowings | 912.87 | 236.11 |
| Increase/(Decrease) in Short Term Borrowings | 510.93 | (385.10) |
| Finance Costs | (446.17) | (303.55) |
| Net Cash Flow from Financing Activities | 1,373.64 | (452.55) |
| Net Increase / (Decrease) in Cash & Cash Equivalents | (29.26) | 50.74 |
| Cash Equivalent at the beginning of the year | 198.46 | 147.72 |
| Cash Equivalent at the end of the year | 169.20 | 198.46 |
| Cash Equivalent at the end of the year as per BS | 169.20 | 198.46 |

Notes:

- 1) The above Cash Flow statement has been prepared under Indirect Method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2) Previous year figures have been regrouped and recast wherever necessary.

For MASD & Co.
Chartered Accountants
ICAI Firm Registration No. 146249W

Ahmedta

CA Aakash Mehta
Partner
M. No. 165824
Place: Mumbai
Date: September 05, 2023
UDIN: 23165824BGYSQN9373



For and on Behalf of,
Neelam Linens And Garments (India) Limited

Bhavin
Bhavin Jethwa
Managing Director
DIN: 03111560
Place: Mumbai
Date: September 05, 2023

Kanti
Kanti Jethwa
WholeTime Director
DIN: 03111562

Chetan
Chetan Solanki
Chief Financial Officer



Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)

NOTES TO THE FINANCIAL STATEMENTS

General Information

The Company was incorporated on September 22, 2010 as a Private Limited Company. The Company Carries on the business of manufacturing & trading of cotton made ups.

1 Summary Of Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The Financial Statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis of accounting. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2014, the provisions of the Companies Act, 2013. Accounting policies have been consistently applied in preparation and presentation of financial statements

1.2 Use of Estimates

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.3 Presentation & Disclosure of Financial Statements

All assets and liabilities have been classified as current & non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and time between acquisition of assets for rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current / non- current classification of assets and liabilities, period of 12 months have been considered as normal operating cycle

1.4 Property, Plant and Equipment and Depreciation

- i. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.
 - ii. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.
 - iii. Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments
 - iv. Subsequent expenditure related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
 - v. Property, plant & equipment are eliminated from financial statements either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant & equipment are recognized in the statement of profit and loss in the year of occurrence.
 - vi. Depreciation
 - * Depreciation on property, plant and equipment is provided on a Written down value (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013
 - * Depreciation methods, useful lives and residual values are reviewed periodically, including at the end of each financial year and adjusted prospectively.
 - * In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Useful life considered for depreciation are as follows :

| Assets | Useful life (In years) |
|------------------------|------------------------|
| Office Equipment | 5 Years |
| Plant and Equipment | 15 Years |
| Furniture and Fixtures | 10 Years |
| Computer | 3 Years |
| Vehicles | 10 Years |
| Intangible Asset | 5 Years |

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
NOTES TO THE FINANCIAL STATEMENTS

1.5 Intangible Assets and Amortisation

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss, if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

1.6 Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement unless there is another systematic basis which is more representative of the time pattern of the lease

1.7 Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the property, plant and equipment is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognized are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortization had no impairment loss been recognized in earlier years.

1.8 Investments:

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognise a decline, other than temporary, on an individual investment basis.

Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

1.9 Inventories

i. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost is determined on First In First Out / Weighted average / Specific Identification basis.

ii. Work-in-progress / Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average / First In First Out / Specific Identification basis, conversion costs (i.e. costs directly related to the units of production), appropriate proportion of manufacturing overheads based on normal operating capacity and other costs incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

iii. Stocks in trade (Traded goods) are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average / First In First Out / Specific Identification basis, and other costs incurred in bringing them to their present location and condition.

iv. Scraps are valued at estimated net realizable value.

v. Cost of inventories is arrived at after providing for cost of obsolescence wherever considered necessary.

1.1 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cheque on hand, bank balances and deposits with banks with maturity period less than 12 months (other than on lien)

1.11 Cash Flow Statement

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

Neelam Linens And Garments (India) Limited
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NOTES TO THE FINANCIAL STATEMENTS

1.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized net of Goods and Services Tax wherever applicable.

Sales of Goods: Sales of goods are recognized when significant risks and rewards of ownership of the goods have been transferred to the buyer which generally coincides with delivery and are recorded net of rebates, trade discounts and sales returns.

1.13 Other Income

Interest income: Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
Other Income - It is recognised when It is accrued

1.14 Foreign Currency Transactions

(i) Initial recognition - Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
(ii) Conversion - As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
Exchange Difference Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cost

1.15 Retirement and other Employee Benefit

(i) Short term employee benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service.

(ii) Post employment

Defined Contribution Plan :

The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Neelam Linens And Garments (India) Limited
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NOTES TO THE FINANCIAL STATEMENTS

1.16 Taxes

(i) Current Tax : Tax expenses comprises of current tax, deferred tax charge or credit, minimum alternative tax and adjustments of taxes for earlier years. Provision for current tax is made as per the provisions of Income Tax Act, 1961.

(ii) Deferred Tax : Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.17 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity share

1.18 Segment Reporting

A reportable segment is a business segment or a geographical segment identified on the basis of foregoing definitions for which segment information is required to be disclosed by this Standard.

The basic factor for Business segment is the nature of the Services for the Company. Which is a distinguishable component that is engaged in providing an individual product or a group of related products and that is subject to risks and returns that are different from those of other business segments or as a whole Business.

The basic factor Geographical segment, for the Company, is relationships between operations in different geographical areas in terms of India and Outside India., which is a distinguishable component that is engaged in providing products or within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

1.19 Provisions and Contingent liabilities and asset

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except retirement benefits) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent Asset is neither recognised nor disclosed in the financial statements.

1.20 Events after Balance Sheet

Events occurring after the balance sheet date that indicate that an asset may have been impaired, or that a liability may have existed, at the balance sheet date are, therefore, taken into account in identifying contingencies and in determining the amounts at which such contingencies are included in financial statements

1.21 The various figures of financial statement have been regrouped or reclassified wherever necessary.

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
Notes forming part of the Financial Statements.

2 Share Capital

| | Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|----|---|-------------------------|-----------------|-------------------------|-----------------|
| | | Number of shares | Amount in lakhs | Number of shares | Amount in lakhs |
| | (A) Authorised, issued, subscribed and paid-up share capital and par value per share | | | | |
| a) | Authorised Share Capital Equity Shares of Rs.10 each | 1,10,00,000 | 1,100.00 | 2,00,000 | 20.00 |
| b) | Issued, subscribed and paid up Equity Shares of Rs.10 each | 74,00,000 | 740.00 | 2,00,000 | 20.00 |
| | Total | 74,00,000 | 740.00 | 2,00,000 | 20.00 |

2.1 Reconciliation of numbers of equity shares outstanding at the beginning and at the end of the year

| Particulars | No. of Shares as at 31 March 2023 | No. of Shares as at 31 March 2022 |
|--|--------------------------------------|--------------------------------------|
| Equity shares as at the beginning of the year | 2,00,000 | 2,00,000 |
| Add : Bonus share Issued during the year | 60,00,000 | - |
| Add: Preferential Allotment | 12,00,000 | - |
| Equity shares as at the end of the year | 74,00,000 | 2,00,000 |

2.2 The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.3 There is change in the number of shares outstanding at the beginning and at the end of the year which is given in table above.

2.4. Shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of shares | Amount in Lakhs | No. of shares | Amount in Lakhs |
| Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: | NIL | NIL | NIL | NIL |

2.5 Details of shareholders holding more than 5% shares in the Company

| | Name of the shareholders | For the year ended 31 March, 2023 | | For the year ended 31 March, 2022 | |
|---|--------------------------|--------------------------------------|---------------|--------------------------------------|--------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 | Bhavin Jethwa (Director) | 48,05,000 | 64.93% | 1,55,000 | 77.50% |
| 2 | Kanti Jethwa | 6,20,000 | 8.38% | 20,000 | 10.00% |
| 3 | Manjula Jethwa | 3,87,500 | 5.24% | 12,500 | 6.25% |
| 4 | Janki Jethwa | 3,87,500 | 5.24% | 12,500 | 6.25% |
| | Total | 62,00,000 | 83.78% | 2,00,000 | 100% |

2.6. Aggregate number and class of shares allotted as fully paid-up by way of bonus shares.

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|----------------------|--------------------------------------|----------------------|----------------|
| | No. of shares | Amount (Class) | No. of shares | Amount (Class) |
| (i) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash | - | - | - | - |
| (ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares | 60,00,000 | 600.00 (Fully Paid Equity Shares) | - | - |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

2.7 Details of shareholding of Promoters holding.

| | Name of the shareholders | As at 31 March 2023 | | As at 31 March 2022 | |
|---|--------------------------|---------------------|---------------|---------------------|--------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 | Bhavin Jethwa (Director) | 48,05,000 | 64.93% | 1,55,000 | 77.50% |
| 2 | Kantli Jethwa | 6,20,000 | 8.38% | 20,000 | 10.00% |
| 3 | Manjula Jethwa | 3,87,500 | 5.24% | 12,500 | 6.25% |
| 4 | Janki Jethwa | 3,87,500 | 5.24% | 12,500 | 6.25% |
| | Total | 62,00,000 | 83.78% | 2,00,000 | 100% |

3 Reserves & Surplus

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | 31 March, 2023 | 31 March, 2022 |
| | Amount in lakhs | Amount in lakhs |
| Share Premium | 945.50 | 945.50 |
| Add: Issue of Preferential Shares | 276.00 | - |
| Less: Utilized for issue of Bonus shares | 600.00 | - |
| Total (A) | 621.50 | 945.50 |
| Profit & Loss | | |
| As per Carried Forward | 586.93 | 293.23 |
| Add: Profit/ (Loss) for the Year | 225.10 | 293.69 |
| Less : Restatement adjustment | - | - |
| Amount available for appropriation | 812.03 | 586.93 |
| Balance in profit & loss account as at the end (B) | 812.03 | 586.93 |
| Total | 1,433.53 | 1,532.43 |

Nature & Purpose of Reserves:

-**Securities premium reserve** : Securities premium reserve is created due to premium on issue of shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013

-**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.

4 Long-Term Borrowings

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | 31 March, 2023 | 31 March, 2022 |
| | Amount in lakhs | Amount in lakhs |
| | Non Current | Non Current |
| Secured Borrowings | | |
| Guaranteed by Directors | | |
| Loan From Bank/NBFCs | - | 230.02 |
| Secured Borrowings | | |
| Loan From Bank/NBFC | 708.08 | 466.66 |
| Unsecured Borrowings | | |
| Loan From Banks/NBFCs | 1,945.29 | 825.08 |
| Loan From Directors & Relatives | 1,243.07 | 1,243.07 |
| Current Maturities of Long Term Borrowings | (310.20) | (91.46) |
| Total | 3,586.25 | 2,673.37 |

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
Notes forming part of the Financial Statements

Nature of securities and terms of repayment of borrowing-

Details of repayment, rate of interest and security for loans from bank and financial institutions including current maturities :

| Name of the Lender | Nature Of Securities* | Purpose | Rate of Interest | Commencement date | End date | Terms of Repayment | Sanction Amount (in Lakhs) |
|--|---|---|------------------|-------------------|------------|--------------------------|----------------------------|
| ICICI Bank | Unsecured | Business Loan | 16% p.a | 05-07-2022 | 05-06-2025 | 36 Monthly Installments | 40.00 |
| Tata Capital Financials Service Limited | Unsecured | Business Loan | 17% p.a | 03-05-2022 | 03-04-2025 | 36 Monthly Installments | 35.35 |
| Clix Capital Services Pvt Ltd | Unsecured | Business Loan | 19% p.a | 02-05-2022 | 02-05-2025 | 36 Monthly Installments | 50.23 |
| Hero Fincorp | Charge by Equitable Mortgage of Director's (Bhavin Jethwa) Personal property situated at 1104, Lodha Spremus, DR E Moses Road, Worli Naka, Worli, Mumbai | Business Loan | 9% p.a | 03-06-2022 | 03-05-2037 | 18 Monthly Installments | 251.00 |
| Hero Fincorp | Charge by Equitable Mortgage of Director's (Bhavin Jethwa) Personal property situated at 1104, Lodha Spremus, DR E Moses Road, Worli Naka, Worli, Mumbai | Business Loan | 9% p.a | 03-06-2022 | 03-05-2037 | 180 Monthly Installments | 220.00 |
| Hero Fincorp | Unsecured | Business Loan | 17% | 03-04-2023 | 03-03-2026 | 36 Monthly Installments | 30.18 |
| Deutsche Bank | Unsecured | Business Loan | 17% p.a | 10-12-2021 | 05-12-2024 | 36 Monthly Installments | 50.00 |
| Daimler Financial Services India Pvt Ltd | Unsecured | For the purchase of Motor Vehicle | 9% p.a | 04-04-2021 | 04-03-2026 | 60 Monthly Installments | 100.00 |
| Ugro Inditrade Co Lending | Secured against Inventory & Receivables of Company, Guarantee of Director's Bhavin Jethwa and Kantilal Jethwa** | Business Loan | 18% p.a | 05-02-2022 | 05-01-2024 | 24 Monthly Installments | 25.00 |
| FED Bank Financial Service Limited | Unsecured | Business Loan | 16.5% p.a | 13-05-2022 | 02-12-2023 | 18 Monthly Installments | 30.00 |
| Fullerton India | Unsecured | Business Loan | 17% p.a | 04-06-2022 | 04-06-2023 | 13 Monthly Installments | 30.10 |
| HDB Financial Services Limited | Secured by Property of Director - Flat No. 801 / 802 8th Floor Sankalp Chsl Grant Road West, Mumbai | Loan for Property Purchase for Director | 16.75% p.a | 04-06-2022 | 04-05-2037 | 180 Monthly Installments | 962.50 |
| Neogrowth Credit Private Limited | Unsecured | Business Loan | 18.69% p.a | 01-06-2022 | 18-05-2024 | 24 Monthly Installments | 30.90 |
| Poonawalla Fincorp Limited | Unsecured | Business Loan | 16.0% p.a | 13-05-2022 | 27-04-2025 | 36 Monthly Installments | 25.32 |
| Unity Small Finance | Secured | Business Loan | 17% | 04-03-2023 | 04-02-2026 | 36 Monthly Installments | 50.00 |
| AMBIT | Unsecured | Business Loan | 17% | 05-05-2023 | 05-02-2025 | 24 Monthly Installments | 30.00 |
| IDFC First Bank Car Loan | Secured against motor car | For the purchase of Motor Vehicle | 12.85% | 03-04-2023 | 03-01-2028 | 58 Monthly Installments | 200.00 |
| Insta Capital Pvt Ltd | Unsecured | Business Loan | | | | | 15.00 |
| Kisetsu saison Finance India | Unsecured | Business Loan | 16.50% | 02-03-2023 | 02-02-2026 | 36 Monthly Installments | 30.60 |
| Mahindra & Mahindra Financial services Ltd | Unsecured | Business Loan | 18.5% | 10-03-2023 | 10-02-2026 | 36 Monthly Installments | 25.00 |
| Thar Commercial Finance Pvt Ltd | Unsecured | Business Loan | | | | | 25.00 |
| Citizen Bank Co-operative Bank Limited | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Spremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 8.50% p.a | 18-06-2022 | 18-06-2026 | 48 Monthly Installments | 1,000.00 |

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
Notes forming part of the Financial Statements.

| | | | | | | | |
|--|--|---------------|----------|------------|----|----|--------|
| Citizen Bank Co-operative Bank Limited | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 9.25 | 23-02-2023 | NA | NA | 600.00 |
| Citizen Bank Co-operative Bank Limited | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 9.25 | 30-09-2022 | NA | NA | 200.00 |
| Axis Bank (7583 ECGL-228) | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 9.25 | 29-05-2021 | NA | NA | 228.00 |
| Axis Bank (5112 ECGL-115) | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 9.25 | 10-03-2023 | NA | NA | 115.00 |
| Axis bank (EPC) | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | REPO+4 % | 23-01-2023 | NA | NA | 840.00 |
| ICICI Bank (OD A/C) | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 10% | | NA | NA | 8.00 |
| SBI BANK | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 10.55% | 31-10-2022 | NA | NA | 540.00 |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

| | | | | | | | |
|-------------------------|---|---------------|-------|------------|----|------------------------|--------|
| SBI EPC | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai | Business Loan | 6.25% | 31-10-2022 | NA | NA | - |
| STANDARD CHARTERED BANK | Current Assets of Company, Directors property at 446 & 447th, 4th Floor, Shah and Nahar Industrial Estate, Lower Parel & Personal Property at 1104, Lodha Supremus, Dr.E Moses Road, Worli, Mumbai, Cash Collateral of Rs 110 Million | Business Loan | 9.25% | 24-06-2021 | NA | 60 Monthly Instalments | 200.00 |

*A charge is being shown as Active from 6th March 2014. It is pertaining to a loan taken from ING Vyasa Bank now Kotak Bank, the loan related to such charge has been closed but the charge is not removed by Kotak Bank cause of a dispute after a loan closure. The dispute is shown as Contingent Liability refer note 32 of Contingent Liability

** Charge is yet to be registered with the Ministry of Corporate Affairs

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

***MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.**

| | Particulars | As at 31 March, 2023 Amount in lakhs | As at 31 March 2022 Amount in lakhs |
|-----|---|--|---|
| (a) | <u>Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 :</u> | - | - |
| | Principal amount due to micro and small enterprises | 337.82 | 24.57 |
| | Interest due on above | - | - |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with | - | - |
| (c) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with | - | - |
| (d) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with | - | - |
| (e) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with | - | - |

8 Other Current Liabilities

| | Particulars | As at 31 March, 2023 Amount in lakhs | As at 31 March, 2022 Amount in lakhs |
|--|-------------------------------|--|--|
| | Advance From Customer | 3.31 | - |
| | TDS Payable | 20.40 | 7.01 |
| | TCS payable | 0.84 | 3.37 |
| | GST Payable | 4.35 | - |
| | Director Remuneration Payable | 14.27 | - |
| | Audit fees payable | 1.00 | - |
| | Total | 44.17 | 10.38 |

9 Short Term Provisions

| | Particulars | As at 31 March, 2023 Amount in lakhs | As at 31 March, 2022 Amount in lakhs |
|--|------------------------|--|--|
| | Provision on Expense | 32.77 | - |
| | Provision for Taxation | | |
| | For F.Y 2020-21 | - | 9.02 |
| | For F.Y 2021-22 | 1.27 | 95.13 |
| | For F.Y 2022-23 | 75.03 | - |
| | TCS receivable | (2.05) | (5.92) |
| | TDS receivable | (3.05) | (3.19) |
| | Total | 103.96 | 95.05 |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

10 Property, Plant and Equipment and Intangible Assets

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Amount in lakhs | |
|--------------------------|---------------|---------------|----------|---------------|--------------------------|--------------|----------|---------------|-----------------|---------------|
| | 1.04.2022 | Additions | Deletion | 31.03.2023 | 1.04.2022 | Addition | Deletion | 31.03.2023 | Net Block | |
| | | | | | | | | | 31.3.2023 | 31.03.2022 |
| Tangible Assets | | | | | | | | | | |
| Air conditioner | 3.45 | - | - | 3.45 | 1.14 | 0.42 | - | 1.55 | 1.89 | 2.31 |
| Computer Printer | 3.20 | 1.77 | - | 4.97 | 2.77 | 0.80 | - | 3.57 | 1.40 | 0.43 |
| Eureka Forbes Machine | 0.01 | - | - | 0.01 | 0.00 | 0.00 | - | 0.00 | 0.01 | 0.01 |
| Furniture & Fixtures | 13.04 | 1.10 | - | 14.14 | 5.74 | 1.51 | - | 7.25 | 6.89 | 7.30 |
| Generator | 0.19 | - | - | 0.19 | 0.06 | 0.02 | - | 0.09 | 0.10 | 0.13 |
| Mobile Phone | 0.27 | 0.16 | - | 0.43 | 0.09 | 0.06 | - | 0.15 | 0.29 | 0.18 |
| Motor Car | 433.12 | 250.00 | - | 683.12 | 192.09 | 42.47 | - | 234.56 | 448.57 | 241.03 |
| Office Premises | 98.06 | - | - | 98.06 | 9.32 | 16.06 | - | 25.38 | 72.68 | 88.74 |
| Plant and Machinery | 88.86 | 47.03 | - | 135.89 | 25.32 | 16.15 | - | 41.48 | 94.41 | 63.54 |
| Total | 640.21 | 300.05 | - | 940.26 | 236.53 | 77.49 | - | 314.02 | 626.24 | 403.68 |
| Intangible Assets | | | | | | | | | | |
| Patents & Trademarks | 6.59 | - | - | 6.59 | - | - | - | - | 6.59 | 6.59 |
| Total | 646.79 | 300.05 | - | 946.85 | 236.53 | 77.49 | - | 314.02 | 632.83 | 410.27 |

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Amount in lakhs | |
|--------------------------|---------------|---------------|---------------|---------------|--------------------------|---------------|----------|---------------|-----------------|---------------|
| | 01-04-2021 | Additions | Deletion | 31-03-2022 | 01-04-2021 | Addition | Deletion | 31-03-2022 | Net Block | |
| | | | | | | | | | 31-03-2022 | 31-03-2021 |
| Tangible Assets | | | | | | | | | | |
| Air conditioner | 3.45 | - | - | 3.45 | 0.62 | 0.51 | - | 1.14 | 2.31 | 2.82 |
| Computer Printer | 3.20 | - | - | 3.20 | 2.02 | 0.74 | - | 2.77 | 0.43 | 1.18 |
| Eureka Forbes Machine | 0.01 | - | - | 0.01 | 0.00 | 0.00 | - | 0.00 | 0.01 | 0.01 |
| Furniture & Fixtures | 13.04 | - | - | 13.04 | 3.19 | 2.55 | - | 5.74 | 7.30 | 9.85 |
| Generator | 0.19 | - | - | 0.19 | 0.03 | 0.03 | - | 0.06 | 0.13 | 0.15 |
| Mobile Phone | 0.27 | - | - | 0.27 | 0.05 | 0.04 | - | 0.09 | 0.18 | 0.22 |
| Motor Car | 433.18 | 100.00 | 100.06 | 433.12 | 82.60 | 109.49 | - | 192.09 | 241.03 | 350.58 |
| Office Premises | 98.06 | - | - | 98.06 | 4.78 | 4.54 | - | 9.32 | 88.74 | 93.28 |
| Plant and Machinery | 63.24 | 25.62 | - | 88.86 | 11.28 | 14.04 | - | 25.32 | 63.54 | 51.96 |
| Total | 614.65 | 125.62 | 100.06 | 640.21 | 104.58 | 131.95 | - | 236.53 | 403.68 | 510.06 |
| Intangible Assets | | | | | | | | | | |
| Patents & Trademarks | 6.59 | - | - | 6.59 | - | - | - | - | 6.59 | 6.59 |
| Total | 621.24 | 125.62 | 100.06 | 646.79 | 104.58 | 131.95 | - | 236.53 | 410.27 | 516.65 |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

Ageing for Trade Receivables as on 31st March 2022

| Particulars | Outstanding for period from due date of payment | | | | | Total |
|---|---|--------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,025.82 | 701.05 | 49.84 | - | - | 1,776.72 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

15 Cash & Cash Equivalents

| Particulars | As at 31 March, 2023 Amount in lakhs | As at 31 March, 2022 Amount in lakhs |
|----------------------------|---|---|
| Balances with Banks | | |
| In current account | 30.90 | 71.79 |
| Fixed Deposits with Banks | 123.06 | 122.00 |
| Cash in Hand | 6.14 | 4.67 |
| Total | 169.20 | 198.46 |

16 Short-term loans and advances

| Particulars | As at 31 March, 2023 Amount in lakhs | As at 31 March, 2022 Amount in lakhs |
|----------------------------------|---|---|
| <u>Unsecured considered good</u> | | |
| Other Advances | 787.07 | 123.99 |
| Loans & Advances to Employees | 13.14 | - |
| Total | 800.21 | 123.99 |

17 Other Current Assets

| Particulars | As at 31 March, 2023 Amount in lakhs | As at 31 March, 2022 Amount in lakhs |
|-------------------------|---|---|
| Advance To Suppliers | 202.07 | 0.07 |
| GST Refund Receivable | 64.62 | 25.13 |
| Input GST | 20.02 | - |
| Tax paid Against Appeal | 45.50 | 45.50 |
| Total | 332.21 | 70.70 |

18 Revenue From Operations

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|--------------------------------|--|--|
| Revenue from Operations | | |
| Sale of Goods | 10,356.30 | 10,152.67 |
| Total | 10,356.30 | 10,152.67 |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

19 Other Incomes

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|-------------------------------|---|--|
| Duty Drawback | 84.83 | 110.88 |
| Income From Mutual Fund | - | - |
| Unrealised Exchange Gain | 12.47 | 4.70 |
| Realised Exchange Gain* | 70.44 | 80.14 |
| Interest Income | 9.64 | 6.73 |
| Interest Subvention | 6.83 | - |
| Profit on sale of Fixed Asset | - | 16.91 |
| Miscellaneous Income | 0.61 | 7.65 |
| Total | 184.82 | 227.02 |

20 Cost Of Material Consumed

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|---|---|--|
| Opening Inventory | 3,933.62 | 2,902.01 |
| Add : Purchase During the period | 10,025.85 | 9,875.50 |
| Less : Closing Inventory at the end of the period | (4,833.62) | (3,933.62) |
| Total | 9,125.85 | 8,843.89 |

21 Employee Benefit Expenses

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|-----------------------|---|--|
| Salary | 34.17 | 12.03 |
| Director Remuneration | 14.27 | - |
| Staff Welfare | 0.42 | 6.97 |
| Total | 48.86 | 19.00 |

22 Finance Cost

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|---------------------------------------|---|--|
| Processing Fees & Pre-Closure Charges | 49.92 | 7.20 |
| Interest on Loan | 365.21 | 292.83 |
| Bank Charges | 31.04 | 3.52 |
| Total | 446.17 | 303.55 |

23 Depreciation

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|--------------|---|--|
| Amortization | - | - |
| Depreciation | 77.49 | 131.95 |
| Total | 77.49 | 131.95 |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

24 Other Expense

| Particulars | For the year ended 31 March, 2023 Amount in Lakhs | For the year ended 31 March, 2022 Amount in lakhs |
|------------------------------------|---|---|
| Accounting Charges | - | - |
| Advertisement & Buisness Promotion | 2.11 | - |
| Commission & Brokerage | 11.41 | 35.06 |
| Courier Charges | 2.91 | 3.04 |
| Conveyence Charges | - | 22.35 |
| Donation | 0.61 | 0.82 |
| Electricity Expense | 2.93 | 2.88 |
| Rent, Rates & Taxes | 69.73 | 59.67 |
| Office Expenses | 5.83 | 0.23 |
| Other Expense | 8.44 | 44.01 |
| Freight, Clearing & Forwarding | 314.88 | 479.78 |
| Insurance Charges | 4.25 | 7.93 |
| Telephone & Internet | 0.57 | 0.20 |
| Transport Charges | 15.38 | - |
| Testing Charges | 0.40 | 0.07 |
| Travelling | 6.38 | 0.01 |
| Legal & Professional Fees | 59.33 | 37.69 |
| Motor Car Expense | 22.64 | 0.50 |
| Printing & Stationery | 0.29 | 0.16 |
| Audit Fees | 1.00 | 1.76 |
| Total | 529.08 | 696.16 |

25 Earning per Equity Share

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|--|--------------------------------------|--------------------------------------|
| Profit after tax (Amount in lakhs) | 225.10 | 293.69 |
| Number of shares outstanding at the year end | 74,00,000 | 62,00,000 |
| Weighted average number of equity shares(adjusted) | 70,18,630 | - |
| Basic EPS from continuing Operations | 3.21 | 4.74 |
| Diluted EPS from continuing Operations | 3.21 | 4.74 |

Neelam Linens And Garments (India) Limited
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26 Borrowing against current assets

31 March 2023

Books reconciliation with Statement submitted to bank

| Particulars | As per Books Amount in Lakhs | As per statements Amount in Lakhs | Differences | Reasons |
|----------------|---------------------------------|--------------------------------------|-------------|---|
| Inventory | 4,833.62 | 4,833.62 | - | - |
| Sundry Debtors | 1,848.81 | 1,475.22 | 373.59 | Only Debtors outstanding for less than 3 months were reported to the bank |

27 Title deeds of immovable Property not held in name of the Company

| Particulars | Description of Assets | Title Deed Held in the name | Title Deed holder | Property held Since | Gross Value as on 31 March 2023 | Gross Value as on 31 March 2022 |
|----------------------------|-----------------------|-----------------------------|-------------------|---------------------|---------------------------------|---------------------------------|
| Property Plant & Equipment | Office Premises | Mr. Bhavin K Jethwa | Director | Since Incorporation | 08.06 | 08.06 |

28 Foreign Exchange

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------|---------------------|---------------------|
| Foreign exchange earned | 3,683.50 | 4,502.15 |
| Foreign exchange expended | - | - |

29 Related Party Transactions

Key Managerial Person

- Siddhi Jain Company Secretary (From 16 August 2022)
- Chetan Solanki Chief Financial Officer (From 16 August 2022)

Directors

- Mr Kantilal Jethwa
- Mr Bhavin Jethwa
- Mrs Janki B Jethwa
- Mrs Manjula K Jethwa

Enterprise where Directors have significant Influence

| Related Party | Person Intrested | Type of Relationship |
|-----------------------------|-----------------------|----------------------|
| Pradeep International | Mr. Bhavin Jethwa | Proprietor |
| Kantilal Jivaram Jethwa HUF | Mr. Kantilal Jethwa | Karta |
| Bhavin Kantilal Jethwa HUF | Mr. Bhavin Jethwa | Karta |
| Neelam Garments | Mr. Bhavin Jethwa | Proprietor |
| Balaji Enterprises | Mrs. Manjula K Jethwa | Proprietor |
| Neelam Creation | Mr. Kantilal Jethwa | Proprietor |

Summary of related party transactions*

| Particulars | As at 31 March 2023 Amount in Lakhs | As at 31 March 2022 Amount in Lakhs |
|--|--|--|
| Transactions | | |
| Director and Key Managerial Remuneration | | |
| Mr Kantilal Jethwa | 4.03 | 7.20 |
| Mr Bhavin Jethwa | 6.72 | 12.00 |
| Mrs Janki B Jethwa | 2.02 | 3.60 |
| Mrs Manjula K Jethwa | 1.50 | 6.00 |
| Mrs Siddhi Jain | 1.03 | - |
| Mr Chetan Solanki | 8.00 | - |
| Transaction & Balances with Related Parties | | |
| Loan from Directors | | |
| Mr. Kantilal Jethwa | | |
| Opening Balance | 479.93 | 595.68 |
| Received during the year | - | 245.60 |
| Repaid during the year | - | 361.35 |
| Closing Balance | 479.93 | 479.93 |

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| Particulars | As at 31 March 2023 Amount in Lakhs | As at 31 March 2022 Amount in Lakhs |
|------------------------------------|--|--|
| Mr Bhavin Jethwa | | |
| Opening Balance | 699.59 | 594.85 |
| Received during the year | - | 373.45 |
| Repaid during the year | - | 268.72 |
| Closing Balance | 699.59 | 699.59 |
| Mrs Janki B Jethwa | | |
| Opening Balance | 56.35 | 53.63 |
| Received during the year | - | 6.00 |
| Repaid during the year | - | 3.28 |
| Closing Balance | 56.35 | 56.35 |
| Mrs Manjula K Jethwa | | |
| Opening Balance | 7.20 | 11.67 |
| Received during the year | - | 440.50 |
| Repaid during the year | - | 444.97 |
| Closing Balance | 7.20 | 7.20 |
| Kantilal Jivaram Jethwa HUF | | |
| Opening Balance | - | - |
| Received during the year | 50.00 | 371.98 |
| Repaid during the year | 50.00 | 371.98 |
| Closing Balance | - | - |
| Other Balances | | |
| Pradeep Internationals- | | |
| Opening Balance | - | - |
| Purchase made during the year | 2,652.68 | 4,342.96 |
| Payment to Pradip Internationals | 2,652.68 | 4,342.96 |
| Closing Balance | - | - |
| Balaji Enterprise | | |
| Opening Balance | 110.99 | - |
| Purchase made during the year | 76.36 | 111.03 |
| Payment to Balaji Enterprise | 149.72 | 0.04 |
| Payable to Balaji Enterprise | 37.62 | 110.99 |
| Neelam Creation | | |
| Opening Balance | - | - |
| Labour charges | - | 10.00 |
| Payment to Neelam Creations | - | 10.00 |
| Closing Balance | - | - |

Neelam Linens And Garments (India) Limited
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Notes forming part of the Financial Statements

30 Segment Reporting

Based on guiding principle given in Accounting Standard 17 'Segment reporting, Issued by the Institute of Chartered Accountants of India.

a) Primary Segment (Business Segment):

The Company is engaged in the business of Manufacturing of Bedsheets and Shirts. Hence are considered as the Business Segments for purpose of reporting

| Particulars | Manufacturing business | Amount in lakhs |
|---|------------------------|------------------|
| Segment Revenue | | Total |
| Sale to External Customers | | |
| 31/03/2023 | 10,356.30 | 10,356.30 |
| 31/03/2022 | 10,152.67 | 10,152.67 |
| | | 20,508.97 |
| Segment Expense | | |
| 31/03/2023 | 9,703.79 | 9,703.79 |
| 31/03/2022 | 9,559.05 | 9,559.05 |
| | | 19,262.84 |
| Segment Results | | |
| 31/03/2023 | 905.01 | 905.01 |
| 31/03/2022 | 905.63 | 905.63 |
| | | 1,810.64 |
| Finance Costs and Depreciation at enterprise level | | |
| 31/03/2023 | - | 523.66 |
| 31/03/2022 | - | 435.50 |
| | | 959.16 |
| Profit before tax at Enterprise level | | |
| 31/03/2023 | - | 313.68 |
| 31/03/2022 | - | 385.14 |
| | | 698.82 |
| Segment Asset | | |
| 31/03/2023 | 10,033.71 | 10,033.71 |
| 31/03/2022 | 7,944.14 | 7,944.14 |
| | | 17,977.85 |
| Segment Liabilities | | |
| 31/03/2023 | 10,033.71 | 10,033.71 |
| 31/03/2022 | 7,944.14 | 7,944.14 |
| | | 17,977.85 |

b) Secondary Segment (Geographical Segments)

During thereporting periods, the Company's sale are located in India and outside India. Hence, the same has been considered as representing a geographical segment

| Particulars | As at 31 March 2023 Amount in Lakhs | As at 31 March 2022 Amount in Lakhs |
|---------------|--|--|
| India | 1,911.95 | 3,215.46 |
| Outside India | 3,683.50 | 4,502.15 |

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
Notes forming part of the Financial Statements

31 The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

32 Contingent Liabilities

| Particulars | As at 31 March 2023 Amount in Lakhs | As at 31 March 2022 Amount in Lakhs |
|---|--|--|
| Contingent Liabilities | 1024.74 | 455.02 |
| Claims against the company not acknowledged as debt | | |
| Corporate Guarantees Given | - | - |
| Bank Guarantees Given | - | - |
| Other money for which the company is contingently liable | - | - |
| Commitments | - | - |
| Estimated amount of contracts remaining to be executed on capital account and not provided for Other commitments (specify nature). | - | - |

33 There is no revaluation made by the Company during the financial year ended March 31, 2023 as well as previous year 2022.

34 Company has not purchases its own shares out of free reserves or securities premium account

35 The Financial Statements of a company comply with the accounting standards referred in Section 129(1)

36 Corporate Social Responsibility (CSR) - The Company is not eligible to make CSR fund.

37 Post reporting date events - No adjusting or significant non-adjusting events have occurred between March 31, 2023 and the date of authorisation of these financial statements.

38 Director Personal Expenses-There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

39 Balances of Debtors, Creditors, Loans and Liabilities are subject to confirmations. Cash Balance is taken as certified by the Directors

40 Compliance with number of layers of companies - There is no investment in any company, hence there is required to be complied

41 The various figures of financial statement have been regrouped or reclassified wherever necessary.

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
Notes forming part of the Financial Statements

42 Reconciliation of Profit & loss

| Material Adjustments in Restated Profit & Loss Account: | | |
|---|--|---------------|
| Particulars | For the Period/FY ended (Rs. In Lakhs) | |
| | 31-03-2023 | 31-03-2022 |
| Profit after tax as per Books of Accounts | 225.10 | 102.93 |
| Creation of Deferred Tax asset | - | 82.71 |
| Additional depreciation debited to P&L | - | (43.52) |
| Unaccounted Finance cost | - | (0.23) |
| Reversal of provision for Gratuity | - | 73.16 |
| Reversal of Exchange loss | - | (0.74) |
| Recognition of Exchange loss - Unrealized | - | 4.70 |
| Recognition of Exchange loss - Realized | - | 80.14 |
| Profit on sale of Fixed Assets | - | 16.91 |
| Booking of Interest of loan | - | (22.37) |
| Profit after tax as per Restated | 225.10 | 293.69 |

(b) Reconciliation of Equity

| Material Adjustments in Restated Reserve & Surplus: | | |
|--|--|-----------------|
| Particulars | For the Period/FY ended (Rs. In Lakhs) | |
| | 31-03-2023 | 31-03-2022 |
| Balance of Reserve & Surplus before Restatement | 1,532.43 | 1,632.02 |
| Restatement adjustment in opening reserve | - | - |
| Change in Fixed assets as per Companies Act | - | (419.05) |
| Change in Profit due to restatement | - | 25.77 |
| Total of opening Equity as per Financials | 1,532.43 | 1,238.73 |
| Add: Profit for the current year | 225.10 | 293.69 |
| Add: Security Premium received on issue of Equity shares | 276.00 | - |
| Less: Utilized during the year | (600.00) | - |
| Less: Dividend Payable | - | - |
| Total Closing Equity As per Financials | 1,433.53 | 1,532.43 |

Neelam Linens And Garments (India) Limited
(Formerly Known as Neelam Linens and Garments Private Limited)
CIN: U17299MH2010PLC208010
Notes forming part of the Financial Statements

43. Ratio Analysis

| Ratio | Numerator | Denominator | As at | As at |
|-----------------------------------|---|--|---------------|---------------|
| | | | 31 March 2023 | 31 March 2022 |
| | | | Ratios | Ratios |
| Current Ratio | Current Assets | Current Liabilities | 1.87 | 1.64 |
| Debt Equity Ratio | Total Debt | Shareholder's Equity | 3.01 | 3.29 |
| Debt Service Coverage Ratio | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments | Debt service = Interest and lease payments + Principal repayments | 1.39 | 1.39 |
| Return on Equity Ratio (in %) | Profit for the year less Preference dividend (if any) | Average total equity | 0.12 | 0.13 |
| Inventory Turnover Ratio | Revenue from operations | Average Inventory | 2.36 | 2.97 |
| Trade Receivables Ratio | Revenue from operations | Average Trade Receivables | 5.71 | 6.20 |
| Trade Payables Ratio | Total Purchases | Average Trade Payables | 7.75 | 14.82 |
| Net Capital Turnover Ratio | Net Sales | Average working capital (i.e. Total current assets less Total current liabilities) | 3.40 | 4.84 |
| Net Profit Ratio (in %) | Net Profit | Revenue from operations | 0.02 | 0.03 |
| Return on Capital employed (in %) | Earning before interest and taxes | Capital employed = Net worth + Lease liabilities + Deferred tax liabilities | 0.13 | 0.16 |
| Return on investment (in %) | Income generated from invested funds | Average invested funds in treasury investments | 0.08 | 0.06 |

% Changes in Ratio and Reasons

| Ratio | As at 31 March 2023 | Reasons for Changes if > 25% |
|----------------------------------|---------------------|--|
| Current Ratio | 13.81% | NA |
| Debt Equity Ratio | -9% | There is increase in the borrowings during the year. |
| Debt Service Coverage Ratio | 0% | NA |
| Return on Equity Ratio | -10% | NA |
| Inventory Turnover Ratio | -20% | NA |
| Trade Receivables Turnover Ratio | -8% | NA |
| Trade Payables Turnover Ratio | -48% | There is an increase in the average trades payable amount during the year. |
| Net Capital Turnover Ratio | -30% | Increase in Trade payables |
| Net Profit Ratio | -25% | NA |
| Return on Capital employed | -19% | NA |
| Return on investment (in %) | 2% | NA |

For MASD & Co.
Chartered Accountants
ICAI Firm Registration No. 146249W

Akshay Mehta

CA Akash Mehta
Partner
M. No. 165824
Place: Mumbai
Date: September 05, 2023
UDIN: 23165824BGYSQN9373



For and on Behalf of,
Neelam Linens And Garments (India) Limited

Bhavin Jethwa
Bhavin Jethwa
Managing Director
DIN: 03111560
Place: Mumbai
Date: September 05, 2023

Kanti Jethwa
Kanti Jethwa
Whole Time Director
DIN: 03111562

Chetan Solanki
Chetan Solanki
Chief Financial Officer

