##### **DIRECTORS’ REPORT**

##### **To,**

##### **THE MEMBERS**

Your Directors are pleased to present herewith the **7th ANNUAL REPORT** together with the Audited Financial Statements and Auditors’ report thereon for the year ended on March 31, 2023.

**FINANCIAL RESULTS/ STATE OF COMPANY AFFAIRS:**

The Financial Results of the Company for the year ended on 31st March, 2023 are as follows: -

**(Rs. In Lakh)**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Year**  **2022-23** | **Year**  **2021-22** |
| *Total Income* | **17864.42** | **7174.69** |
| Profit Before Depreciation, Amortization and Taxation | 345.43 | 277.03 |
| Depreciation and Amortization | 139.11 | 132.62 |
| *Profit / (Loss) before Taxation* | **206.32** | **144.41** |
| Provision for taxation - For Current Tax  Provision for taxation - For Deferred Tax  Earlier year tax | 12.58  42.73  (0.13) | 1.39  37.45  0.03 |
| ***Profit / (Loss) after Taxation*** | **151.14** | **105.54** |

# DIVIDEND AND TRANSFER TO RESERVES:

In order to conserve the resources, your directors do not recommend any payment of dividend for the year under review. Further the Company has not transferred any amount to reserves during the year.

**MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company under review and the date of the Board’s Report.

**DIRECTORS’ RESPONSIBILITY STATEMENT:**

It is hereby stated that:

1. In the preparation of the annual financial statement, the applicable accounting standards had been followed and that no material departures have been made for the same.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.
5. 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.

**NUMBER OF BOARD MEETINGS OF THE BOARD:**

During the year under review, the Board of Directors duly met 5 times and the details of attendance of directors are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Director** | **Date of Board Meeting** | | | | | **Total No. of Meetings attended** |
| 06.07.2022 | 05.10.2022 | 15.12.2022 | 31.12.2022 | 10.03.2023 |
| Mr. Atul Mittal | √ | √ | √ | √ | √ | 5/5 |
| Mr. Ajay Mittal | √ | √ | √ | √ | √ | 5/5 |

**LOANS FROM DIRECTOR/RELATIVE OF DIRECTOR:**

The balances of monies accepted by the Company from Directors / relatives of Directors at the beginning of the year were Rs. 3.35 Lakh and at the close of year was Rs. 278.35 Lakh.

**DEPOSITS:**

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the period under review.

**LOANS, GUARANTEES & INVESTMENTS U/S 186:**

During the year under review, the Company has not made any investments, not granted any loan, provided any guarantee or security falling under the purview of provision of section 186 of the Companies Act, 2013.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Details of contracts or arrangements with related parties referred to in Section 188 (1) are as per **Annexure - I**.

## STATUTORY AUDITORS AND THEIR OBSERVATION:

M/s. Nirav D. Shah & Co., Chartered Accountants (Firm Registration No. 119132W) were appointed as Statutory Auditors, for a term of five years to hold office till the conclusion of the Annual General Meeting to be held for the financial year ending on 31st March, 2024. Hence, present statutory auditors of the company will continue to act as statutory auditor till the expiry of their present term.

The Auditors’ Report to the members for the year under review does not contain any qualification.

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company is committed to provide a safe and conducive work environment to its employees during the year under review.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**SECRETARIAL STANDARDS:**

During the year under review, the Board of Directors of the company confirms to the best of their knowledge and belief that the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time and made applicable by the Ministry of Corporate Affairs.

**INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY:**

The Company has an adequate Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Control function is well defined.

**PARTICULARS OF EMPLOYEES:**

During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## RISK MANAGEMENT POLICY:

The Management regularly reviews the risk and took appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Company has a robust Business Risk Management (BRM)framework to identify, evaluate, business risks, Financial risk, Competition risk, Human resource risk. In the opinion of the Board, no risk has been identified that may threaten the existence of the Company.

**MAINTENANCE OF COST RECORDS:**

The Company is not required to maintain any cost records prescribed under section 148 of the Companies Act, 2013 and rules made thereunder.

**INDUSTRIAL RELATIONS:**

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated hereunder: -

Conservation of Energy:

1. The steps taken or impact on conservation of energy: -

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day-to-day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

2. The steps taken by the company for utilizing alternate sources of energy.

Company has not taken any step for utilizing alternate sources of energy.

**3. The capital investment on energy conservation equipment’s.**

Company has not made any capital investment on energy conservation equipment’s.

**Technology Absorption:**

Company has not imported any technology and hence there is nothing to be reported here.

**Foreign Exchange Earning and Outgo:**

The details of Foreign Exchange Earnings and outgo during the year are as follows:

**(Amt. in Lacs)**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **2022-23** | **2021-2022** |
| **Foreign Exchange Earnings (Rs.)** | NIL | NIL |
| **Foreign Exchange Outgo (Rs.)** | NIL | 17.93 |

**ACKNOWLEDGMENT:**

Your Directors are thankful to regulatory and Government authorities, bankers and clients of the Company.

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|  | **FOR AND ON BEHALF OF THE BOARD****FOR ARMAANYA TEXTILES PRIVATE LIMITED** | |
| **Place: Ahmedabad**  **Date: 21/06/2023** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****ATUL MITTAL MANAGING DIRECTOR** **DIN: 02282605** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****AJAY MITTAL** **MANAGING DIRECTOR**  **DIN: 01760444** |

**FORM NO. AOC -2**

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

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

1. **Details of contracts or arrangements or transactions not at Arm’s length basis.**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms’ length basis.

1. **Details of material contracts or arrangement or transactions at arm’s length basis:**

**(Amount in Lakh)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Related Party** | **Nature of relationship** | **Nature of Contract / agreement / transactions** | **Duration of contracts / agreements/ transactions** | **Salient terms of contracts or agreements, or transactions including the value, if any** | **Date of approval by the Board, if any** | **Amount paid as advances, if any** |
| Aroo Industries | Associate Enterprise | Rent paid | 1stApril, 2022 to 31stMarch, 2023 | 0.72 | As per note below | As per note below |
| Abhay Ajay Mittal | Relatives of KMP | Salary | 1stApril, 2022 to 31stMarch, 2023 | 6.00 | As per note below | As per note below |

**Note**: Appropriate approvals have been taken for related party transactions wherever required. No amount was paid as advance.

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| --- | --- | --- |
|  | **FOR AND ON BEHALF OF THE BOARD****FOR ARMAANYA TEXTILES PRIVATE LIMITED** | |
| **Place: Ahmedabad**  **Date: 21/06/2023** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****ATUL MITTAL MANAGING DIRECTOR** **DIN: 02282605** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****AJAY MITTAL** **MANAGING DIRECTOR**  **DIN: 01760444** |