

**Date: 05-09-2023**

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai-400001

*LWSKNIT/ Scrip- 531402 / ISIN- INE281M01013*  
**Sub: Revised Annual Report for FY 2022-23**

Dear Sir,

The company is submitting herewith the revised Annual Report for the FY 2022-23 along with the approved Notice for the Annual General Meeting to be held on **Thursday on 28<sup>th</sup> day of September, 2023 at 09.30 A.M.** in the premises of # B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab).

Please take it in your records.

Thanks & Regards,  
**For L W S KNITWEAR LIMITED**

**(Girish Kapoor)**  
(Managing Director)  
(DIN: 01870917)

**2022-23**

**L W S KNITWEAR LIMITED**

**ANNUAL REPORT**

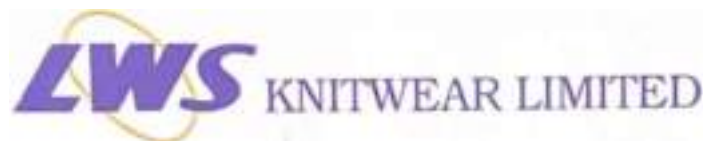
**2022-23**





## **MANAGEMENT**

<b>BOARD OF DIRECTORS</b>	
<b>Chairman-cum-Managing Director</b>	Girish Kapoor
<b>Non-Executive Director</b>	Arjun Kapoor <i>(Resigned From This Position w.e.f. 01.09.2023)</i>
<b>Chief Financial Officer</b>	Arjun Kapoor
<b>Directors (Independent)</b>	Ramesh Kumar Sharma Neelam Bahri Ashwani Kumar Sharma (w.e.f. 12.08.2023)
<b>Company Secretary</b>	Cheshta Sharma (resigned w.e.f. 30.05.2023) Laxmi Khatri (w.e.f. 31.05.2023)
<b>Statutory Auditors</b>	M/s. Rajiv Rajinder And Co., Chartered Accountants (Firm Registration No. 016366N)
<b>Secretarial Auditors</b>	M/s. Bhambri & Associates, Company Secretaries
<b>Registered Office</b>	G T Road (West), Ludhiana, Punjab-141008
<b>Registrar &amp; Share Transfer Agent</b>	Beetal Financial and Computer Services Private Limited, New Delhi, Tel. No.011-29961281-283, e-mail: beetalrta@gmail.com
<b>34<sup>th</sup> ANNUAL GENERAL MEETING</b>	<b>CONTENTS OF REPORT</b>
<b>Day : THURSDAY</b> <b>Date : 28<sup>th</sup> September, 2023.</b> <b>Time : 09.30 A.M.</b> <b>Place : L W S KNITWEAR LIMITED,</b> # B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab) Email- info@lwsknitwear.com, lwsknitwear@gmail.com	<b>Notice</b> <b>Directors' Report</b> <b>Management Discussion &amp; Analysis Report</b> <b>Corporate Governance Report</b> <b>Auditors' Report</b> <b>Balance Sheet</b> <b>Profit &amp; Loss Statement</b> <b>Cash Flow Statement</b> <b>Notes on Accounts</b>



## **L W S KNITWEAR LIMITED**

Registered Office-G T Road (West), Ludhiana, Punjab, 141008

CIN-L17115PB1989PLC009315, Email- info@lwsknitwear.com, lwsknitwear@gmail.com

website- www.lwsknitwear.com, Tele- 0161-2744500

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### **NOTICE**

Notice is hereby given that the **34<sup>th</sup> Annual General Meeting** of the Company will be held on **Thursday on 28<sup>th</sup> day of September, 2023** at **09.30 A.M.** in the premises of # B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab) to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended **31<sup>st</sup> March, 2023** and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Mr. Girish Kapoor (DIN-01870917)**, who retires by rotation and being eligible, offers himself for reappointment.

### **3. APPOINTMENT OF STATUTORY AUDITORS**

To consider and if thought fit, to pass with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and subject to approval by members of the Company, the appointment of M/S. Parmod G Gupta & Associates, Chartered Accountants, (FRN 018870N) as the Statutory Auditors of the Company commencing from the conclusion of Annual General Meeting in the year 2023 for the Financial Year 2022-2023 till the conclusion of Annual General Meeting of the Company to be held in the year 2028 for the Financial Year 2027-2028 at such remuneration as may be agreed upon by the Board of Directors and the Auditors.”

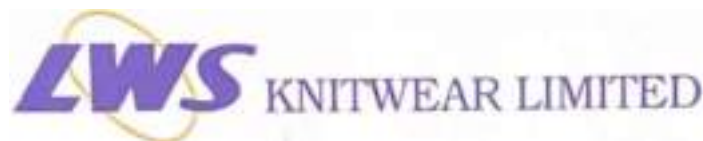
### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**

#### **Revision In Overall Borrowing Powers of the Company**

**“RESOLVED THAT** in supersession of all the earlier resolution passed, if any, by the members and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee

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thereof for the time being exercising the powers conferred on the Board by this Resolution), to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company, free reserves and Securities premium account that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 500 Crores (Rupees Five Hundred Crores only) (both fund and non-fund) at any one point of time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and are hereby severally authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate all or any of the above powers to a Committee constituted / to be constituted by the Board and / or any Member of such Committee / Board and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

5. To consider and if thought fit, to pass with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**

**CHANGE IN THE LIMITS OF SECTION 180 (1) (a) AND CREATION OF MORTGAGE / CHARGE ON THE ASSETS OF THE COMPANY**

**"RESOLVED THAT** in supersession of all the earlier resolution passed, if any, by the members and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to create such charges, mortgages and hypothecations in addition or supplemental to the existing charges, mortgages and hypothecations, if any, created by the Company, on its movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favor of Banks, Financial Institutions and any Lending Agencies or bodies / Security Trustees / Agents, for the purpose of securing any borrowing, loans and / or advances already obtained or that may be obtained, together with interest, all other costs, charges and expenses and other moneys payable by the Company to the concerned Lenders, up to a sum of Rs. 500 Crores (Rupees Five Hundred Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments, agreements and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted / to be constituted by the Board and / or any Member of such Committee with power to the said Committee to sub-delegate its powers to any of its Members for the purpose of giving effect to the aforesaid Resolution."

6. To consider and if thought fit, to pass with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**

## **INCREASE IN AUTHORISED CAPITAL OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment (s) thereof for the time being in force) and the rules framed thereunder and in accordance with the applicable provisions of the Articles of Association of the Company, the consent of members be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) divided into 55,00,000 (Fifty-Five Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each and with a view of raising further capital in the future the Board recommends the increase in the Authorised Share capital to Rs. 15,50,00,000 /- (Rupees Fifteen Crores Fifty Lakhs Only) divided into 1,55,00,000 (One Crore Fifty-Five Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each by the creation of additional 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the **Companies Act, 2013** and the relevant rules framed thereunder, the Capital Clause (Clause V) of the Memorandum of Association of the Company is substituted with the following Clause V.

***V. “Rs. 15,50,00,000 /- (Rupees Fifteen Crores Fifty Lakhs Only) divided into 1,55,00,000 (One Crore Fifty-Five Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each, with the power to the Board to increase or reduce the capital of the Company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights, as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors or the Company in General Meeting, as applicable in conformity with the provisions of the Act and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and to issue share of higher or lower denominations in such manner as may for the time being be provided by the Articles of Association of the Company.***

**FURTHER RESOLVED THAT** Directors be and are hereby severally authorized to do all such acts, things and deeds, to sign and execute all the necessary documents to give full effect to the resolution.”

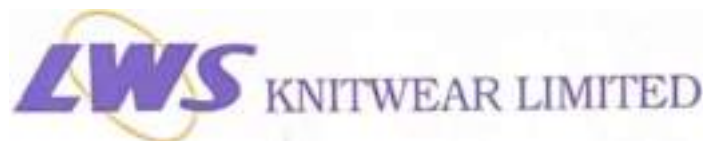
7. To consider and if thought fit, to pass with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**

## **AMENDMENT IN OBJECT CLAUSE OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, approval of the Members be and is hereby accorded for **addition** of the following new objects under the existing clause (A) of Memorandum of Association ‘THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION’:

***4. To carry on the business of hotel, restaurant, café, confectionery, snack bars, catering and others in and outside India (self operation on sale basis as well as lease basis) under own brand or in agreement with any other brand.***

***5. To carry on the business of construction, builders, contractors, engineers, colonizers, town planners, surveyors, values, appraisers, decorators, furnishers, manufacturers of prefabricated***



***and precast houses / villas, residential complexes, residential flats, malls, commercial complexes, multi storied buildings etc. and also to act as manufacturers, importers, exporters, buyers, sellers, repairers, stockists and otherwise dealers of all type of plant, equipment, machinery, spare part and accessories required in connection therewith.***

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be required for giving effect to this Resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby, severally authorised to do all such acts and things as may be necessary and expedient to give effect to the above resolution and filing the same with the respective registrar for approval and removal of any query/ resubmission from the registrar, on behalf of the Company.”

8. To consider and if thought fit, to pass with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**

#### **ADOPTION OF NEW ARTICLES OF ASSOCIATION**

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association as placed before the Board and duly initialed by the chairman in their meeting be and are hereby approved by the members and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company with immediate effect.

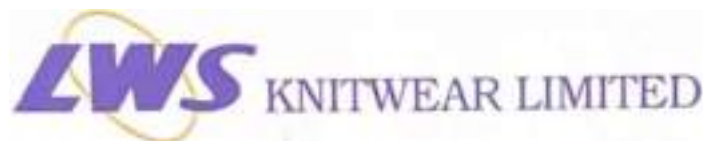
**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby severally authorised to do all such acts, deeds and actions as may be necessary , proper or expedient to give effect to this resolution.”

9. To consider and if thought fit, to pass with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**

#### **APPOINTMENT/RE-APPOINTMENT OF MANAGING DIRECTOR AND FIXING REMUNERATION PAYABLE TO HIM**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Consent of the members be and is hereby accorded to appoint Mr. Girish Kapoor (DIN: 01870917), as Managing Director of the Company for a period of three years w.e.f. 01.09.2023 upon terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment).





**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay Mr. Girish Kapoor, Managing Director, the remuneration approved in this meeting as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary/alter, at any time, the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to the Mr. Girish Kapoor, Managing Director of the Company as permissible under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make necessary filings of any statutory forms or other documents and to do all such acts and things as may be necessary in this regard."

10. To consider and if thought fit, to pass with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**

**REGULARISATION OF APPOINTMENT OF MR. ASHWANI KUMAR SHARMA AS AN INDEPENDENT DIRECTOR**

**"RESOLVED THAT** pursuant to the applicable provisions of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Ashwani Kumar Sharma (DIN: 10277499), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 12.08.2023 in terms of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice and declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act and who is eligible for appointment, be and is hereby appointed as an Non-Executive Independent Director of the Company for five (5) consecutive years w.e.f. 12.08.2023.

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies."

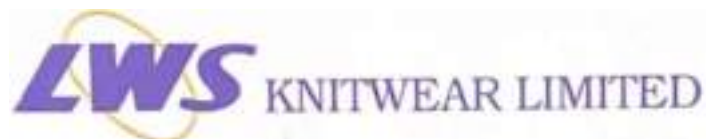
By order of the Board  
For **LWS KNITWEAR LIMITED**

Sd/-

**DATE: 01.09.2023**  
**PLACE: LUDHIANA**

**(GIRISH KAPOOR)**  
**MANAGING DIRECTOR**  
**(DIN-01870917)**





Detail required under SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2

Name	Mr. Girish Kapoor	Ashwani Kumar Sharma
Age	65 years	41 Years
Brief Resume	Working as Director in the company for the last 33 years	Vast experience in Textile industry
Nature of his expertise in specific functional areas	Knitted Cloth, Woolen Yarn and All kinds of Hosiery goods	All kinds of Hosiery goods
Date of first appointment on the Board,	09.05.1989	12-08-2023
Qualifications	Graduate	Graduate
Experience	42 years	15 Years
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per Company's policy on appointment of Board members	As per the policy of the Company
Last drawn remuneration, if applicable	As mentioned in Corporate Governance Report forming part of Annual Report 2020-21	NA
Shareholding in the company held either himself or on a beneficial basis for any other persons	7,74,700 equity shares	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Father of CFO Arjun Kapoor	None
Names of companies in which the person also holds the directorship and the membership/Chairman of Committees of the Board	1. LWS Exports Limited 2. Gee Kay Knitwear Private Limited 3. L W S Knitwear Ltd	NIL

By order of the Board  
For **LWS KNITWEAR LIMITED**

Sd/-

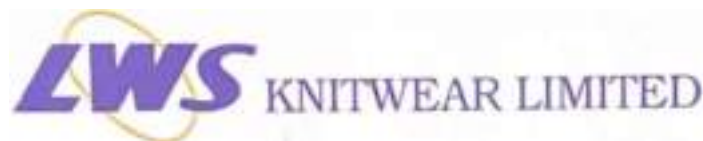
**DATE: 01.09.2023**  
**PLACE: LUDHIANA**

**(GIRISH KAPOOR)**  
**MANAGING DIRECTOR**  
**(DIN-01870917)**

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**NOTES:**

- i) A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
- ii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA, Beetal.
- v) **The Register of Members and the Share Transfer Book of the company will remain closed from 22<sup>nd</sup> September, 2023 to 28<sup>th</sup> September, 2023 (both days inclusive).**
- vi) In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Member whose email are not registered shall receive the copy of the Notice along with the hard copy of statement containing the salient features of all the documents. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website: <http://www.lwsknitwear.com> , website of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) . Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- vii) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- viii) Mr. Ansh Bhambri, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- ix) The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer’s



report shall be placed on Company's website of CDSL and will be communicated to the stock exchanges.

- x) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 40th Annual General Meeting (AGM) by electronic means.

xi) **The instructions for shareholders voting electronically are as under:**

- a. The voting period **begins on 25.09.2023 at 09.00 am and ends on 27.09.2023 at 05.00 pm.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 21.09.2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date through e-voting would not be entitled to vote at the meeting value.
- c. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

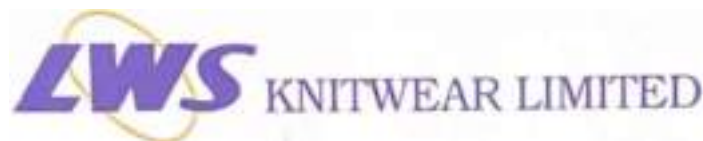
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- d. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service</li> </ol>



	provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

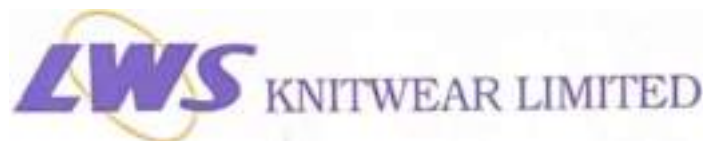
**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

e. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

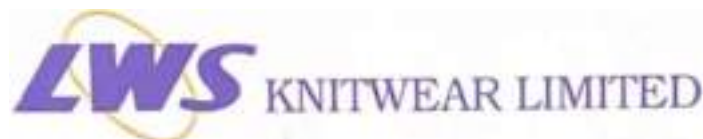


6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- f. After entering these details appropriately, click on "SUBMIT" tab.
- g. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i. Click on the **EVSN <230901101>** for the relevant **<L W S KNITWEAR LIMITED>** on which you choose to vote.
- j. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- l. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- m. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- o. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.





p. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [lwsknitwear@gmail.com](mailto:lwsknitwear@gmail.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

q. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES:**

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company / RTA email id** ([beetalrta@gmail.com](mailto:beetalrta@gmail.com)).

2. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

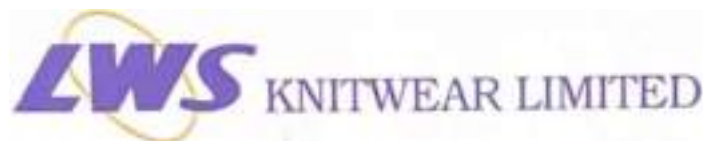
By order of the Board  
For **LWS KNITWEAR LIMITED**

Sd/-  
(GIRISH KAPOOR)  
MANAGING DIRECTOR  
(DIN-01870917)

DATE: 01-09-2023  
PLACE: LUDHIANA

**ANNUAL REPORT 2022-23**





## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice.

### **ITEM NO. 4 and 5**

In accordance with the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the following powers can be exercised by the Board of Directors with the consent of the company by a Special Resolution:

- To pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company;
- To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed the aggregate of the Company's paid-up share capital and free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

The Board is of the view that in order to further expand the business activities of the Company and for meeting the expenses for capital expenditure, the Company may further be required to borrow money, either secured or unsecured, from the banks / financial institutions / other body corporate, from time to time, and to pledge, mortgage, hypothecate and / or charge any or all of the movable and immovable properties of the Company and / or whole or part of the undertaking of the Company.

The Board of Directors of the Company proposes to increase the limits to borrow money upto Rs. 500 Crores (Rupees Five Hundred Crores) and to secure such borrowings by pledging, mortgaging, hypothecating the movable or immovable properties of the Company amounting up to the same Rs. 500 Crores (Rupees Five Hundred Crores).

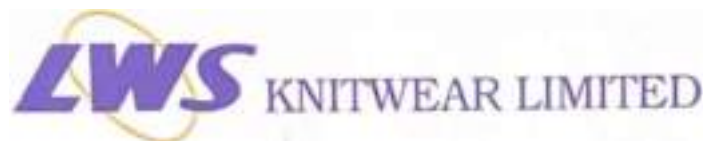
It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charge on the assets over the Company under the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolutions. The Board recommends the **Special Resolution** set out at Item No. 4 & 5 of the Notice for approval by the Members.

### **ITEM NO. 6:**

The authorized Share Capital of the Company is Rs. 5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) divided into 55,00,000 (Fifty-Five Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each and with a view of raising further capital in the future the Board recommends the increase in the Authorised Share capital to Rs. 15,50,00,000 /- (Rupees Fifteen Crores Fifty Lakhs Only) divided into 1,55,00,000 (One Crore Fifty-Five Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each by the creation of additional 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten Only) each.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution. The Board recommends the said resolution for the approval of the members by way of **Special Resolution**.



**ITEM NO. 7: Alteration of Memorandum for amendment in the Object clause**

Your Company is presently into the business of manufacturing of textiles.

Further the Company has discussed about the diversification of the business, the following two lines have been considered by the management

a. To carry on the business of hotel, restaurant, café, confectionery, snack bars, catering and others in and outside India (self operation on sale basis as well as lease basis) under own brand or in agreement with any other brand.

b. To carry on the business of construction, builders, contractors, engineers, colonizers, town planners, surveyors, values, appraisers, decorators, furnishers, manufacturers of prefabricated and precast houses / villas, residential complexes, residential flats, malls, commercial complexes, multi storied buildings etc. and also to act as manufacturers, importers, exporters, buyers, sellers, repairers, stockists and otherwise dealers of all type of plant, equipment, machinery, spare part and accessories required in connection therewith.

The proposed change of object clause by addition of a new clauses “4 and 5 under the main objects” requires the approval of shareholders through **Special Resolution** pursuant to the provisions of Section 13 of the Companies Act, 2013.

It is in the interest of all the shareholders that the Company diversifies and takes on projects for the growth of the Company and hence management recommends the passing of said resolution.

Accordingly, the Board recommends the resolution for approval by the Members by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise, in the aforesaid **Special Resolution**.

**ITEM NO. 8:**

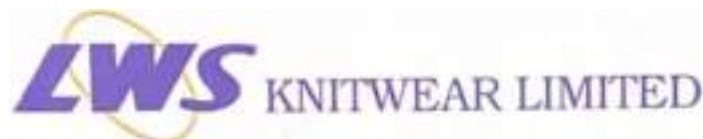
The existing Articles of Association (“AOA”) were based on the Companies Act, 1956 and several clauses / regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force. The Existing regulations of the Articles of Association are replaced by the new set of regulations and adopted as new set of Articles of Association as per the requirements of Table F of First Schedule in the Companies Act, 2013. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013.

Consent of the shareholders by way of a **Special Resolution** is required in this regard.

The entire set of proposed articles of association is available in the website of the company. The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.



**ITEM NO. 9:**

Mr. Girish Kapoor (DIN: 01870917) has been serving as a Managing Director of the Company. He has been recommended by the Board to appointed with effect from 01.09.2023 if approved by the shareholders at the following terms and conditions:

- a) A monthly salary: Rs. 40,000/-.
- b) Appointment for a period of three years.

In terms of the provisions of Schedule V of the Companies act, 2013, the approval of the above said remuneration shall be valid for three years w.e.f. 01.09.2023.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Girish Kapoor (Himself) is concerned or interested, financially or otherwise, in the resolution. The Board recommends the said resolution for the approval of the members by way of **Special Resolution**.

**ITEM NO. 10:**

Mr. Ashwani Kumar Sharma (DIN: 10277499) was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 12.08.2023 in terms of Section 161(1) of the Companies Act, 2013. The Company has received a notice and declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act and who is eligible for appointment as an Independent director.

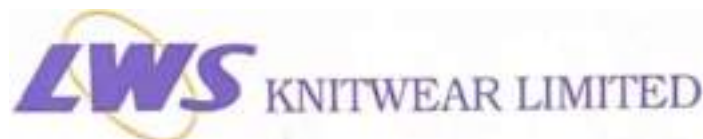
The Board is of the view that the appointment of Mr. Ashwani Kumar Sharma as Independent Director is desirable and would be beneficial to the Company and hence it recommends the said resolution for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Ashwani Kumar Sharma himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution for the approval of the members by way of **Ordinary Resolution**.

By order of the Board  
For **LWS KNITWEAR LIMITED**  
Sd/-

**DATE: 01.09.2023**  
**PLACE: LUDHIANA**

**(GIRISH KAPOOR)**  
**MANAGING DIRECTOR**  
**(DIN-01870917)**



## **BOARD'S REPORT**

**TO,  
THE MEMBERS OF  
LWS KNITWEAR LIMITED  
LUDHIANA**

The Directors of your company have pleasure in presenting the **34<sup>th</sup> Annual Report** together with Audited Accounts of the company for the financial year ended **31<sup>st</sup> March 2023**.

### **FINANCIAL HIGHLIGHTS**

Particulars	Standalone		(Rs. In Crores)
	2022-23	2021-22	
Gross Income	62.62	61.76	
<b>Profit Before Interest and Depreciation</b>	<b>1.20</b>	<b>0.73</b>	
Finance expense	0.73	0.28	
Depreciation and Amortization Expenses	0.10	0.10	
<b>Profit Before Tax</b>	<b>0.37</b>	<b>0.35</b>	
Tax expense	0.08	0.09	
<b>Net Profit After Tax</b>	<b>0.29</b>	<b>0.26</b>	
Surplus carried to Reserve	0.29	0.26	

### **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

The Company is engaged in the manufacture of hosiery goods/knitted cloth/garments. Board expects the Company to grow in future.

### **IND AS**

The Company had adopted Indian Accounting Standards (Ind AS) and Annual Financial Statements in the previous financial year. The Annual Financial Statements in current year have also been prepared in accordance with the Indian Accounting Standards ("IND AS ") as prescribed under the Companies (Indian Accounting Standards) Rules as amended from time to time notified under Section 133 of the Companies Act, 2013.

### **CHANGE IN NATURE OF BUSINESS**

There is no change in the nature of business activities of the Company.

### **DIVIDEND**

The Board of Directors with the view to conserve the resources of company has not recommending any dividend this year.

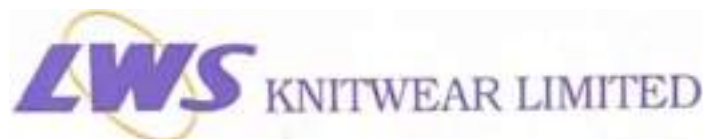
### **AMOUNTS TRANSFERRED TO RESERVES**

The Board of the company has decided to carry **Rs. 0.29 Crore** to its reserves and surplus account.

### **CHANGES IN SHARE CAPITAL**

There has been no change in Share Capital of the Company during the current Financial Year.

### **INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**



The Company does not have any Subsidiary, Joint venture or Associate Company and the provisions regarding disclosure of names of companies which ceased to be the subsidiary, joint venture or associate companies are not applicable.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year and there is no unclaimed dividend.

### **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the period from the end of the financial year to which this financial statement relate and on the date of this report

### **ANNUAL RETURN**

As required under sub-section (3) of section 92 of the Companies Act, 2013 as amended, copy of the annual return will be placed on website of the Company [www.lwsknitwear.com](http://www.lwsknitwear.com) after filing with MCA, web link- <https://www.lwsknitwear.com/investors.php>.

### **MEETINGS OF THE BOARD OF DIRECTORS**

During the current Financial Year, the Company held **9 (Nine)** meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings-

09.04.2022	01.09.2022
14.05.2022	14.11.2022
01.07.2022	14.02.2023
01.08.2022	28.03.2023
12.08.2022	

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had 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 and loss of the company for that period;
- The directors had 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;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS AND REPORT THEREON**

M/s. Rajiv Rajinder And Co., Chartered Accountants (Firm Registration No. 016366N) were appointed on 21.04.2023 to fill the casual vacancy caused by the resignation of M/s. D R Gupta and Associates, Chartered Accountants. They hold the position till the conclusion of the ensuing AGM in 2023.

The Board has recommended the appointment of M/S. Parmod G Gupta & Associates, Chartered Accountants, (FRN 018870N) for five years for approval by the shareholder in the ensuing AGM.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company is a partner in M/s. LWS Knitwear, a partnership firm in which Shri Girish Kapoor, Managing Director of the Company is also a partner. Total investment in the firm is **Rs. Nil** at the close of the financial year.

### **RELATED PARTY TRANSACTIONS**

The Company has entered into various Related Parties Transactions in ordinary course of business at arm's length as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further all the necessary details of transaction entered with the related parties are attached herewith in **Form No. AOC- 2** for your kind perusal and information.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

The Information pursuant to Section 134(3) (m) pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo is provided in annexure herewith.

### **RISK MANAGEMENT**

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

### **DIRECTORS AND KMP**

During the current financial year following changes have occurred in the constitution of Board of Directors and KMP of the company-

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Changes</b>	<b>Date of change</b>
<b>1</b>	Ms. Genus Magoo	Director	Resigned	11.03.2022
<b>2</b>	Mr. Arjun Kapoor	Director	Appointed	11.03.2022

Following changes have also occurred after the close of current financial year-

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Changes</b>	<b>Date of change</b>
<b>1</b>	Ms. Anju Bala	Independent Director	Resigned	09.04.2022
<b>2</b>	Mr. Jaskaran Singh Ghuman	Independent Director	Resigned	09.04.2022
<b>3</b>	Ms. Neelam Bahri	Independent Director	Appointed	09.04.2022
<b>4</b>	Mr. Ramesh Kumar Sharma	Independent Director	Appointed	09.04.2022



### **DEPOSITS**

The company has not accepted any deposits during the year and there are no unclaimed deposits.

### **PERSONNEL**

The information required pursuant to Section 134(3) and Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is attached herewith. Further, information required under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is nil as no employee of the Company is in receipt of remuneration as stated therein.

### **ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

### **CORPORATE GOVERNANCE**

The corporate governance provisions are not applicable to your company but still the Company complies with some of the provisions on voluntary basis. The section on corporate governance forms a part of this annual report.

### **INDEPENDENT DIRECTORS AND DECLARATION**

Ms. Anju Bala and Mr. Jaskaran Singh Ghuman have resigned on 09.04.2022 and Board of Directors has appointed Mr. Ramesh Kumar Sharma and Ms. Neelam Bahri as independent directors on 09.04.2022. The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013. The board had also appointed Mr. Ashwani Kumar Sharma as an independent director w.e.f. 12.08.2023.

### **NOMINATION AND REMUNERATION COMMITTEE**

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Non-Executive Directors. The Committee was reconstituted on 09<sup>th</sup> April, 2022 and the table sets out the present composition of the Committee-

<b>SN</b>	<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
1	Mr. Ramesh Kumar Sharma	Chairman	Non-Executive Independent Director



2	Ms. Neelam Bahri	Member	Non-Executive Independent Director
3	Mr. Arjun Kappor	Member	Non-Executive Promoter Director

The date of meetings of committee and attendance of members is given in report on corporate governance attached with the report.

### **Terms of Reference**

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
4. Regularly review the Human Resource function of the Company
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

### **REMUNERATION POLICY**

#### **Remuneration to Executive Directors**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

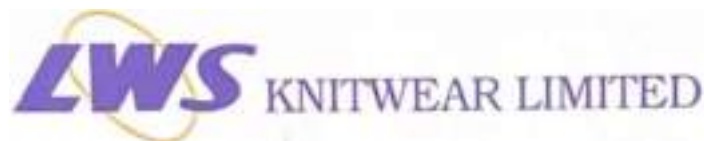
#### **Remuneration to Non-Executive Directors**

The Non-Executive Directors have not been paid any sitting fees during the year under report.

### **AUDIT COMMITTEE**

According to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of three directors. The board has accepted the recommendations of the Audit Committee. The Committee was reconstituted on 09<sup>th</sup> April, 2022 and the table sets out the present composition of the Committee-

SN	Name of the Director	Position held in the Committee	Category of the Director
----	----------------------	--------------------------------	--------------------------



1	Mr. Ramesh Kumar Sharma	Chairman	Non-Executive Independent Director
2	Ms. Neelam Bahri	Member	Non-Executive Independent Director
3	Mr. Arjun Kappor	Member	Non-Executive Promoter Director

The date of meetings of committee and attendance of members is given in report on corporate governance attached with the report.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Stakeholders Relationship Committee was reconstituted during the year and according to Section 178 of the Companies Act, 2013 which comprised of three Non-Executive Directors and Chairman of the committee is Independent and Non-Executive Director. The Committee was reconstituted on 09<sup>th</sup> April, 2022 and the table sets out the present composition of the Committee-

SN	Name of the Director	Position held in the Committee	Category of the Director
1	Mr. Ramesh Kumar Sharma	Chairman	Non-Executive Independent Director
2	Ms. Neelam Bahri	Member	Non-Executive Independent Director
3	Mr. Arjun Kappor	Member	Non-Executive Promoter Director

The date of meetings of committee and attendance of members is given in report on corporate governance attached with the report.

### **SECRETARIAL STANDARDS**

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

### **SECRETARIAL AUDIT REPORT**

The Secretarial Auditor has given observations relating to updating of statutory registers, minutes books and website of the Company as per The Companies Act, 2016 and SEBI (LODR) Regulations, 2015. The Board has given instructions to concerned persons for doing the needful. Further the Secretarial Audit Report as provided by **Ravinder Kumar, Company Secretaries, Rajpura** for the financial year 2022-23 is annexed herewith for your kind perusal and information.

### **VIGIL MECHANISM**

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Regulation 22 of the SEBI(LODR) Regulations, 2015, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company.

### **SHARES**

- a. **Buy Back of Securities**-The Company has not bought back any of its securities during the year under review.
- b. **Sweat Equity**-The Company has not issued any Sweat Equity Shares during the year under review.
- c. **Bonus Shares**- The Company has not issued any Bonus Shares during the year under review.
- d. **Employees Stock Option Plan**-The Company has not provided any Stock Option Scheme to the employees.

### **ORDER OF COURT**

There is no significant and material order passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

### **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Internal Financial Controls are adequate and are in consonance with the size and operations of the Company and such internal financial controls are operating effectively. The Company has also appointed Mr. Dayanand Sahu as Internal Auditor as required under Section 138 of the Companies Act, 2013.

### **SHARES IN SUSPENSE ACCOUNT**

- i. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year=nil
- ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year=nil
- iii. Number of shareholders to whom shares were transferred from suspense account during the year=nil
- iv. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year=nil

### **SHARES IN UNCLAIMED SUSPENSE ACCOUNT**

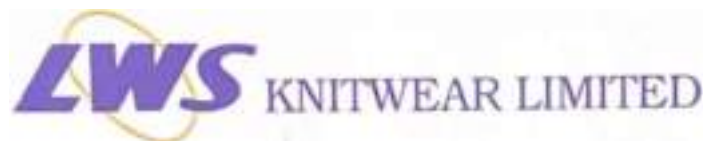
- i. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year=nil
- ii. Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year=nil
- iii. Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year=nil
- iv. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year=nil

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1. Industry structure and development**

Ludhiana is a leading producer of woollen and acrylic garments. The industry caters largely to domestic market; it is also exporting hosiery goods which is around 10% of total production. Main export markets till early 1990s; it was former USSR and Middle East and now in recent years it has expanded to other markets in Europe and USA.

### **2. Opportunities and threats**



The company is engaged in the manufacture garments which is a consumer product and has a ready market in India and abroad. However, the company faces competition from other manufactures.

### **3. Segment wise or product wise performance**

The company suffered losses in past some years and there were some financial constraints which led to the closure of production. However, company has come out of all the constraints and now Company is earning some profits.

### **4. Outlook**

Company is all set to export readymade garments and it is expected to earn good profits in the coming years.

### **5. Risks and concern**

Management does not foresee any significant risk to the industry.

### **6. Internal control systems and their adequacy**

The company has a qualified and independent audit committee which reviews the adequacy of internal controls.

### **7. Discussion on financial performance with respect to operational performance**

The gross block of assets of the company stood at **Rs. 1.34 Crores** and net worth of the company is **Rs.10.78 Crores** as at 31.03.2023.

### **8. Human Resources**

The Company provides a fair and equitable work environment to all its employees. The Company is continuously working to create an atmosphere which is highly motivated and result oriented.

## **CORPORATE SOCIAL RESPONSIBILITY**

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place 'Prevention of Sexual Harassment Policy'. This Anti-Sexual Harassment policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The company has complied with provisions relating to the constitution of Internal Complaints Committee and an Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year,:

No. of complaints received: Nil,

No. of complaints disposed off: NA.

## **COMPLIANCES OF ALL LAWS**

The Board hereby states that the company has devised proper systems to ensure compliance of all laws applicable to the company.

## **COST RECORDS**



The provisions of Section 148(1) of the Companies Act, 2013 for maintenance of cost records are not applicable to the Company.

**ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

By Order of the Board  
For **LWS KNITWEAR LIMITED**

Sd/-

**GIRISH KAPOOR**  
**MANAGING DIRECTOR**  
**DIN-01870917**

**DATE: 01.09.2023**  
**PLACE: LUDHIANA**

## Annexure

### Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. As per rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- a) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all employees of the Company for the Financial Year 2022-23 per annum	158225
The Percentage increase/decrease in the median remuneration of employees in the Financial Year	-0.72
The number of permanent employees on the Roll of the Company as on 31 <sup>st</sup> March, 2023	8

Name of Director	Remuneration of Director/KMP for the FY 2022-23.	Ratio of Remuneration to median remuneration of all employees.	% increase in remuneration in the FY 2022-23
<b>INDEPENDENT DIRECTORS</b>			
	Nil	N.A.	Nil
	Nil	N.A.	Nil
<b>NON EXECUTIVE DIRECTOR(S)</b>			
Sh. Arjun Kapoor (Non-Executive Director)	108000	0.68:1	Nil
<b>EXECUTIVE DIRECTORS/KMPS</b>			
Sh. Girish Kapoor, (Chairman-cum-Managing Director)	240000	1.52:1	Nil
Sh. Arjun Kapoor (CFO)	NIL	NA	Nil
Ms. Cheshta Sharma (Company Secretary)	180000	1.14:1	Nil

- b) Average percentage increase/decrease made in the salaries of employees other than the managerial personnel from the last financial year is -0.72 % whereas the increase/decrease in the managerial remuneration for the same financial year is 0 %.
- c) No employee of the company has been drawn remuneration more than One crore and Two Lakh rupees.
- d) It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company.

## Annexure

### FORM NO. AOC -2

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

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

#### 1. Details of material contracts or arrangement or transactions at arm's length basis

<b>S N</b>	<b>Particulars</b>	<b>Details</b>
A	Name(s) of the related party and nature of relationship	ABC Inc, related through director
B	Nature of contracts/arrangements/transactions	Sale and purchase of material
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale=Rs. 9879408.00, Purchase= Rs. 52450966.90
E	Date(s) of approval by the Board, if any	14.02.2022
F	Amount paid as advances, if any:	58832926.50

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

<b>S N</b>	<b>Particulars</b>	<b>Details</b>
A	Name(s) of the related party and nature of relationship	LWS Exports Ltd., related through director
B	Nature of contracts/arrangements/transactions	Sale and purchase of material
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale=Rs. Nil, Purchase=Rs. Nil
E	Date(s) of approval by the Board, if any	14.02.2022
F	Amount paid as advances, if any:	2623229.00

#### 3. Details of material contracts or arrangement or transactions at arm's length basis

<b>S N</b>	<b>Particulars</b>	<b>Details</b>
A	Name(s) of the related party and nature of relationship	Kay Dee Garments, related through director
B	Nature of contracts/arrangements/transactions	Sale and purchase of material
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or	Sale=Rs. Nil,



	transactions including the value, if any:	Purchase=Rs. 12393999.97
E	Date(s) of approval by the Board, if any	14.02.2022
F	Amount paid as advances, if any:	-

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

<b>S N</b>	<b>Particulars</b>	<b>Details</b>
A	Name(s) of the related party and nature of relationship	Gopal Knitwear Traders, related through director
B	Nature of contracts/arrangements/transactions	Sale and purchase of material
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale=Rs. NIL, Purchase=Rs. Nil
E	Date(s) of approval by the Board, if any	14.02.2022
F	Amount paid as advances, if any:	8788928.84

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

<b>S N</b>	<b>Particulars</b>	<b>Details</b>
A	Name(s) of the related party and nature of relationship	Dee Enn Knitwear, related through director
B	Nature of contracts/arrangements/transactions	Sale and purchase of material
C	Duration of the contracts/arrangements/transactions	Running arrangement
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale=Rs. NIL Purchase=Rs. Nil
E	Date(s) of approval by the Board, if any	14.02.2022
F	Amount paid as advances, if any:	22372543.00
G	Form shall be signed by the persons who have signed the Board's report.	
G	Form shall be signed by the persons who have signed the Board's report.	

## **Annexure**

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

#### **A. Conservation of energy:-**

(i)	The steps taken or impact on conversation of energy;	NIL
(ii)	The steps taken by the company for utilizing alternate sources of energy;	
(iii)	The Capital investment on energy conservation equipments;	

(IV) Total energy consumption and energy consumption per unit of production in respect of industries specified in the schedule thereto.

<b>Power &amp; Fuel Consumption</b>	<b>2022-23</b>	<b>2021-22</b>
Electricity		
a) Purchased Unit (KWH) Total Amount (Rs. In Lakh) Rate per Unit (Rs./kwh)	NIL	NIL
b) Own Generation through Diesel Generator (Units in Lakh) Diesel Purchased Qty. Unit (Liters) Cost Per Unit (Rs.)	NIL	NIL

#### **B. Technology Absorption:**

(i)	The efforts made towards technology;	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	The expenditure incurred on Research and Development;	NIL

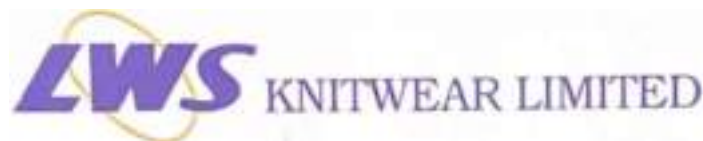
The Company has brought and successfully absorbed the conventional technology.

#### **C. Foreign exchange earnings and outgo:**

- There were no exports during the year 2022-23 but efforts are being made by the Company to develop export markets for its produce.

(In Lakh)

<b>Total foreign exchange used and earned</b>	<b>Current Year</b>	<b>Previous Year</b>
Earned	NIL	NIL
Used	NIL	NIL



## **ANNEXURE**

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

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

To,  
The Members,  
**LWS Knitwear Limited**  
G T Road (West), Ludhiana, Punjab, 141008

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by LWS Knitwear Limited for the financial year ended on **31<sup>st</sup> March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') Viz: -
  - (A) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (B) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (C) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (D) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (E) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(F) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer

Agents) Regulations, 1993 regarding the Companies Act and Dealing with Client;

(G) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(H) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Factories Act, 1948, Employees State Insurance Act, 1948, The Employees Provident Fund & Miscellaneous Provisions Act, 1952, The Contract Labour (Regulation and Abolition) Act, 1970, The Environment (Protection) Act, 1986, The Hazardous Wastes (Management, Handling & Trans boundary Movement) Rules, 2008, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following: -**

- 1. There was a delay of 2 days in submitting annual report for FY 2021-22 and the Company was fined Rs.4,000/- only by BSE Limited.**

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**RAVINDER KUMAR,**  
**FCS NO. 4569, C P NO.: 8444**  
**UDIN- F004569E000419984**

**PLACE: RAJPURA**

**DATE: 30-05-2023**

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

**ANNUAL REPORT 2022-23**



**ANNEXURE-A**

To,  
The Members,

**LWS Knitwear Limited**

G T Road (West), Ludhiana, Punjab, 141008

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

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

**RAVINDER KUMAR,**  
**FCS NO. 4569, C P NO.: 8444**  
**UDIN- F004569E000419984**

**PLACE: RAJPURA**

**DATE: 30-05-2023**

Office- 612 Dalima Vihar, Rajpura, Punjab, 140401

Email: [ravindermukhi@gmail.com](mailto:ravindermukhi@gmail.com)

Mobile: 09872819908

**Secretarial compliance report of *M/s. L W S Knitwear Limited* for the year ended 31<sup>st</sup> March, 2023**

I, **RAVINDER KUMAR**, a Practising Company Secretary have examined:

- (a) all the documents and records made available to us and the explanation(s) provided by ***M/s. L W S Knitwear Limited*** (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31<sup>st</sup> March, 2023** (“Review Period”) in respect of compliance with the provisions of: -

- (i) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

(iii) The following specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Based on the above examination, and verification of the documents and records produced to me and according to the information and explanations given to me by the Company, I report that:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS
1.	<b><u>Secretarial Standards:</u></b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	<b><u>Adoption and timely updation of the Policies:</u></b> <ul style="list-style-type: none"> <li>•All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>•All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/ guidelines issued by SEBI</li> </ul>	Yes	
3.	<b><u>Maintenance and disclosures on Website:</u></b> <ul style="list-style-type: none"> <li>•The Listed entity is maintaining a functional website</li> <li>•Timely dissemination of the documents/ information under a separate section on the website</li> <li>•Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website</li> </ul>	Yes	
4.	<b><u>Disqualification of Director:</u></b> None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	<b><u>Details related to Subsidiaries of listed entities have been examined w.r.t.:</u></b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA	The Company does not have any subsidiary



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
6.	<b><u>Preservation of Documents:</u></b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	<b><u>Performance Evaluation:</u></b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year / during the financial year as prescribed in SEBI Regulations.	Yes	
8.	<b><u>Related Party Transactions:</u></b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) <del>The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.</del>	Yes	
9.	<b><u>Disclosure of events or information:</u></b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<b><u>Prohibition of Insider Trading:</u></b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<b><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></b> No action(s) has been taken against the listed entity /its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there under except as provided under separate paragraph herein.	Yes	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation /circular/ guidance note etc.	Yes	It may be noted that the Stock Exchange has imposed a fine of Rs. 4000/- under regulation 34 of SEBI(LODR) Regulations for late submission of Annual Report by two days.

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, **except** in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guide-lines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Submission of the Annual Report within the period prescribed	Regulation 34 of SEBI (LODR), Regulations, 2015	Late submission of the Annual Report by 2 days for the year 2021-22	BSE Limited has imposed fine of Rs. 4,000/-	The Company has paid the fine levied by BSE Limited	Delay of 2 days in submitting annual report for the year 2021-22	Rs. 4,000/- only	There was a delay of 2 days in submitting annual report for FY 2021-22 and the Company was fine Rs. 4,000/- by BSE Limited		

b) The Company was not required to take any action with regard to compliance with the observations made in previous reports as the same was not applicable.

Sr. No.	Compliance Requirement (Regulations/ circulars/	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company	Management Response	Remarks
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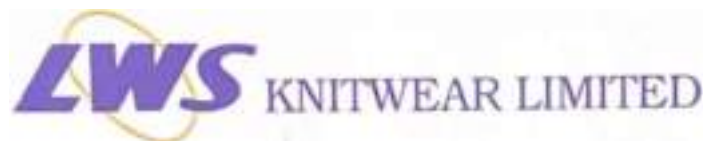
	guide- lines includi ng specific clause)							Secreta ry		
===== NIL =====										

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**RAVINDER KUMAR**  
**FCS-4569, CP No. 8444**  
**UDIN- F004569E000407125**

**DATE-29-05-2023**  
**PLACE-RAJPURA**



## **LWS KNITWEAR LIMITED CODE OF CONDUCT**

### **Person to whom the Code is applicable**

This code is applicable to the following persons (hereinafter referred to as 'Officers' of the company):

- All the Board Members.
- The Entire Core Group Members of the Company and heads of the department

### **I GENERAL STANDARD OF CONDUCT**

1. Officers are expected to exercise good judgment to ensure the safety and welfare of employees, consumers, customers, suppliers, shareholders, lenders and other stakeholders, and to maintain a co-operative, efficient, positive, harmonious and productive work environment, practice integrity in inter-personal relationships, work on the principal of mutual trust, transparency and team work.
2. Officers are expected to acquire and maintain professional competence.
3. Officers are expected to observe discipline and conduct themselves, both on and off-duty, in a manner to uphold the high image of the company.
4. Officers are expected to assist the company in identifying, controlling, mitigating and managing business risks within the company's risk management policy framework.
5. Officers are expected to assist the company in providing to its employees a work environment free of harassment and free of discrimination based on race, religion, creed, color, physical or mental disability, age, sex, etc.
6. Officers should not engage in selling or distribution, or be in possession of or use narcotics/psychotropic drugs or be under influence of alcohol while on duty.
7. As Officers represent the Company before the public and various authorities they are expected to dress neatly and appropriately in a manner consistent with the nature of their work and the image of the company.
8. Officers should not claim from the company unauthorized personal expenses.
9. Customer/supplier/investor Relationships- Officers who need to deal with customers, suppliers and investors should understand that they are dealing and therefore should uphold the image and goodwill generated and built-up by the Company over the year.

### **II APPLICABLE LAWS**

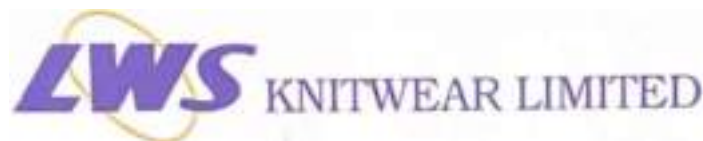
Officers must acquire adequate Knowledge of all the applicable laws, rules, regulations, order and notifications under regulatory framework as applicable to their functions and duties and should follow and comply with the same and avoid violation, breach or infringement thereof.

### **III CONFLICT OF INTEREST**

Officers of the Company will avoid conflict of interest. Conflict of interest is said to exit when personal interest may have a potential conflict with the interest of the company at large. Where any transaction involves conflict of interest, prior approval of the Managing Directors / Executive Director and in case of a Director, of the Board should be obtained.

### **IV PROTECTING CONFIDENTIAL INFORMATION**

The Company's confidential information is a vita and asset. It may relate to product, product formula, process, product plans and road maps, cost and financial information, information as to customers, suppliers, dealers and employees, business arrangements and agreements as well



as to patents, trademarks, copyrights and trade secrets. For the purpose of this Code, confidential information would also include the information obtained by the Company from a third party under a Non-Disclosure Agreement. Such confidential information should be protected and safeguarded against unauthorized/ personal use and should not be disclosed to any one expect (i) with prior authorization (ii) in the ordinary course of carrying on the business of the Company. In the course of conducting the Company's Business, Officers may come in possession of confidential information about its employees, customers, suppliers, etc. Officers should handle the same with utmost responsibility and prevent its misuse.

#### **V PREVENTION OF INSIDER TRADING**

Officers are privy to price sensitive inside information and should not use it to make personal gains. The Company has framed "Code of Conduct for prevention of insider trading in the Securities of the Company," Officers should follow the same in letter and spirit.

#### **VI COMPANY'S ASSETS**

Protecting and safeguarding the Company's assets and properties and preventing their unauthorized use/ personal use is one of the key and prime responsibility of Officers. Officers are personally responsible of the Company's funds under their control. Officers should use electronic communication facilities like e-mail, Internet etc. in a legal ethical and appropriate manner and not expose the Company to liability resulting from the illegal, unauthorized or unethical use thereof.

#### **VII NON COMPLIANCE**

In case of non-compliance of any of the provisions of this Code of conduct, the same shall be reported to the Chairman of the Board of Directors of the Company.

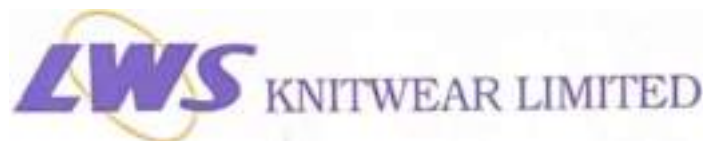
#### **VIII ANY AMENDMENTS OR MODIFICATION TO THE CODE OF CONDUCT**

This Code of Conduct is subject to modification. The Board of Directors has the requisite power and the authority to update and amend the Code of Conduct from time to time.

#### **IX ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT AND ETHICS**

I have received and read the Company's Code of Conduct and Ethics and have understood the standards and policies contained therein. I agree to comply with the Company's Code of Conduct and Ethics. I hereby affirm to the Company compliance with the Code Conduct and Ethics on an annual basis and also undertake to renew such affirmation in the first week of April every year.

\*\*\*\*\*



## **CORPORATE GOVERNANCE REPORT**

Corporate Governance is a set of systems, processes and principles which ensure that a Company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. It provides a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and accepted best practices.

### **1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE**

The report on Corporate Governance is requirement under Listing Agreement entered into with stock Exchange and forms part of the report of the Board of Directors to the shareholders of the Company. This report gives an insight into the organizational structure of the Company. The vision of the company is to be a financially sound, profitable, growth oriented company committed to building and maximizing sustainable value for all the shareholders. In its endeavor to attain the goal visualized, the company is laying maximum emphasis on the effective system of Corporate Governance.

### **2. BOARD OF DIRECTORS**

#### **Composition**

The present strength of Board of Directors of the Company is four comprising of two Promoter Directors and two Independent/ Non-Executive Directors having diversified professional experience. The present composition of Board of Directors is as under -

S.N.	Name	DIN	Designation	Nature of Directorship
1	Shri. Girish Kapoor	01870917	Managing Director	Promoter / Executive
2*	Mr. Jaskaran Singh Ghuman	08453939	Director	Independent / Non- Executive
3*	Ms. Anju Bala	08456576	Director	Independent / Non- Executive
4	Mr. Arjun Kapoor	08632086	Director	Promoter /Non-Executive
5**	Ms. Neelam Bahri	09545848	Director	Non-Executive Independent Director
6**	Mr. Ramesh Kumar Sharma	09545798	Director	Non-Executive Independent Director

**\* Mr. Jaskaran Singh Ghuman and Ms. Anju Bala have resigned on 09.04.2022 and**

**\*\*Ms. Neelam Bahri and Mr. Ramesh Kumar Sharma have been appointed on 09.04.2022.**

Attendance of each Director at the Board Meetings held during the current year and last Annual General Meeting and number of other Boards or Board Committees in which he/she is a member is as under-

S.N.	Name of Director	No. of Board Meeting attended	No. of other Directorship	Membership in other Committees	Attendance at last AGM
1	Shri. Girish Kapoor	9	2	0	Yes

2	Mr. Jaskaran Singh Ghuman	1	-	3	Yes
3	Ms. Anju Bala	1	-	3	Yes
4	Mr. Arjun Kapoor	9	1	3	-
5	Ms. Neelam Bahri	8	-	3	-
6	Mr. Ramesh Kumar Sharma	8	-	3	-

\* Mr. Jaskaran Singh Ghuman and Ms. Anju Bala have resigned on 09.04.2022 and

\*\*Ms. Neelam Bahri and Mr. Ramesh Kumar Sharma have been appointed on 09.04.2022.

Shri Girish Kapoor, Managing Director of the Company and Mr. Arjun Kapoor Director on the Board of Directors are related to each other.

During the year, **Nine** meetings of the Board of Directors were held on the following dates-

09.04.2022	01.09.2022
14.05.2022	14.11.2022
01.07.2022	14.02.2023
01.08.2022	28.03.2023
12.08.2022	

The detail of number of shares and convertible instruments held by Non-Executive directors as on **the close of Financial year** is given as below,

SN	Name of non – executive Director	No. of Equity Shares Held	No. of convertible instruments Held
1	Ms. Neelam Bahri	Nil	NA
2	Mr. Ramesh Kumar Sharma	Nil	NA
3	Mr. Arjun Kapoor	34803	NA
	Total	Nil	NA

The familiarization programme imparted to independent directors is disclosed on web link [www.lwsknitwear.com](http://www.lwsknitwear.com) of the Company.

### 3. AUDIT COMMITTEE

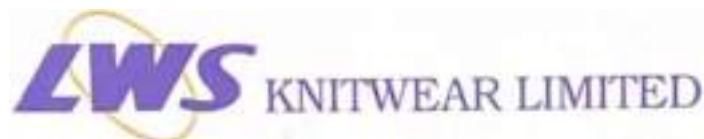
The terms of reference of the audit committee include all the matters as provided under Section 177 (4) of The Companies Act, 2013 and the rules made there under and SEBI (LODR) Regulations, 2015.

#### Composition and Meetings

In compliance with the provisions of Section 177(2) of the Companies Act, 2013, present Audit Committee comprises of two Non-Executive Independent Directors and one Non-Executive Promoter Director. **Four meetings of Audit Committee** were held during the year under consideration on following dates-

14.05.2022	12.08.2022	14.11.2022	14.02.2022	28.03.2023
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The details of members of the audit committee as on **the close of Financial year** and their attendance during the year is as under-

S N	Name of the Director	Position held in the Committee	Category of the Director	Meetings	
				Held	Attended
1	Mr. Jaskaran Singh Ghuman	Member	Non-Executive - Independent Director	0	0
2	Ms. Anju Bala	Chairperson	Non-Executive - Independent Director	0	0
3	Ramesh Kumar Sharma	Chairperson	Non-Executive - Independent Director	5	5
4	Neelam Bahri	Member	Non-Executive - Independent Director	5	5
5	Arjun Kapoor	Member	Non-Executive - Non Independent Director	5	5

For the purpose of present composition of audit committee, please read note after point 6.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

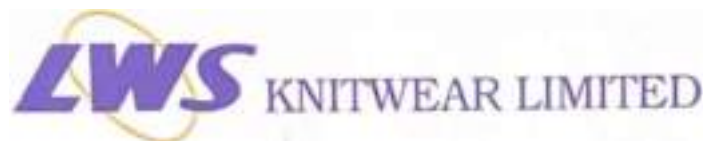
The terms of reference of Nomination and Remuneration Committee covers all the matters provided under the Companies Act, 2013 and the rules made there under and SEBI (LODR) Regulations, 2015.

##### Composition and Meetings

In compliance with the provisions of Section 178(1) of the Companies Act, 2013, present Nomination and Remuneration Committee comprises of two Non-Executive Independent Directors and one Non-Executive Promoter Director. **One** meeting of Nomination and Remuneration Committee was held on **28.03.2023** during the year under consideration.

The details of members of the Nomination and Remuneration Committee as on **the close of Financial year** and their attendance during the year is as under-

S N	Name of the Director	Position held in the Committee	Category of the Director	Meetings	
				Held	Attended
1	Mr. Jaskaran Singh Ghuman	Member	Non-Executive - Independent Director	0	0
2	Ms. Anju Bala	Chairperson	Non-Executive - Independent Director	0	0
3	Ramesh Kumar Sharma	Chairperson	Non-Executive - Independent Director	1	1
4	Neelam Bahri	Member	Non-Executive - Independent Director	1	1
5	Arjun Kapoor	Member	Non-Executive - Non Independent Director	1	1



For the purpose of present composition of nomination and remuneration committee, please read note after point 6.

#### Remuneration policy

Remuneration policy ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully and that relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### 5. REMUNERATION TO DIRECTORS

There is no pecuniary relationship or transaction of the company with its independent directors other than payment of sitting fee to them for attending Board and Committee meetings. **Shri. Girish Kapoor, Managing Director of the Company is paid Rupees 2.40 lakhs during the year as Salary and no commission on profits/ bonus/ pension is paid to him.** No stock option has been given to any of the Directors, including Executive Directors.

#### 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

##### Composition

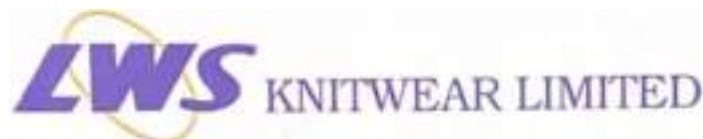
In compliance with the requirement of Section 178(5) of The Companies Act, 2013, present Stakeholder Relationship Committee comprises of two Non-Executive Independent Directors and one Non-Executive Promoter Director to consider and resolve the grievances of security holders of the company. **No meeting** of Stakeholders' Relationship Committee was held during the year under consideration.

The details of members of the Nomination and Remuneration Committee as on **the close of Financial year** and their attendance during the year is as under-

SN	Name of the Director	Position held in the Committee	Category of the Director	Meetings	
				Held	Attended
1	Mr. Jaskaran Singh Ghuman	Member	Non-Executive - Independent Director	0	0
2	Ms. Anju Bala	Chairperson	Non-Executive - Independent Director	0	0
3	Ramesh Kumar Sharma	Chairperson	Non-Executive - Independent Director	0	0
4	Neelam Bahri	Member	Non-Executive - Independent Director	0	0
5	Arjun Kapoor	Member	Non-Executive - Non Independent Director	0	0

For the purpose of present composition of stakeholder relationship committee, please read note below-

**NOTE ON ALL COMMITTEES-** All the three members of Audit Committee/ Nomination and Remuneration Committee and Stakeholders' Relationship Committee has resigned and after



reconstitution following table depicts the detail of members of the Committees before and after the reconstitution-

SN	Name of the Director	Position held in the Committee	Category of the Director	Changes
1*	Mr. Jaskaran Singh Ghuman	Member	Non-Executive Independent Director	Resigned on 09.04.2022
2*	Ms. Anju Bala	Chairman	Non-Executive Independent Director	Resigned on 09.04.2022
3**	Ms. Neelam Bahri	Member	Non-Executive Independent Director	Appointed on 09.04.2022
4**	Mr. Ramesh Kumar Sharma	Chairman	Non-Executive Independent Director	Appointed on 09.04.2022
5**	Mr. Arjun Kappor	Member	Non-Executive Promoter Director	Appointed on 11.03.2022

\*Before reconstitution of Committees and \*\* After reconstitution of Committees

## 7. Complaints

The Company has not received any complaints during the year from the shareholders and that no unsolved complaint is pending with the Company.

## 8. Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of company at large. There were transactions with related parties at market price at arm's length basis which are disclosed in Form AOC – 2 attached herewith. The policy on dealing with related party transactions is available on web link [www.lwsknitwear.com](http://www.lwsknitwear.com) of the Company

## 9. Vigil Mechanism

Detail of Vigil Mechanism is provided in the same heading in Director's Report.

## 10. Whistle Blower Policy

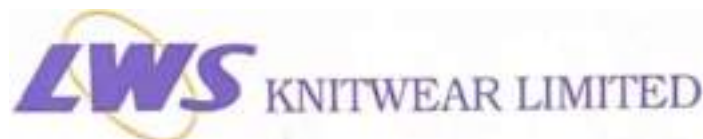
Company has formulated the Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company and that no personnel has been denied access to the audit committee.

## 11. Management

The Management Discussion and Analysis Report have been included in this Annual Report and include discussion on the matters specified in the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 12. Code of Conduct

The Board has laid down a code of conduct for all Board members and Senior Management of the Company. All Board Members and Senior Management Personnel have complied with the Code of



Conduct. Declaration to this effect signed by the Chairman Cum Managing Director is enclosed with this Annual Report.

### 13. SHAREHOLDERS

#### a) Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, one third of such of the Directors for the time being are liable to retire by rotation shall retire and, if eligible, offer themselves for re-election at the Annual General Meeting. Accordingly, Mr. Girish Kapoor, Managing Director of the company hereby retires by rotation in the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

#### b) Communication to Shareholders

The quarterly, half yearly and annual results are generally published in English Language Punjabi Language.

#### Compliance Officer and Investor Grievance

Ms. Cheshta Sharma was the Compliance officer of the Company and Now Ms. Laxmi Khatri is the Compliance Officer of the Company. She can be contacted for any investor's related matter relating to the Company. Her contact number is 0161-2744500, and e-mail ID is lwsknitwear@gmail.com.

#### c) General Body Meetings

The last three Annual General Meetings were held as per the details given below:

Financial Year	Date	Time	Venue
2019-20	30.09.2020	9.30 A M	Registered Office at G.T. Road West, Ludhiana, Punjab
2020-21	30.09.2021	9.30 A M	# B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab)
2021-22	10.06.2022	9.30 A M	# B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab)

Following Special Resolutions were passed in the previous 3 Annual General Meetings:

30.09.2020	Nil
30.09.2021	Nil
10.06.2022	APPOINTMENT OF MR. RAMESH KUMAR SHARMA AS AN INDEPENDENT DIRECTOR APPOINTMENT OF MS. NEELAM BAHRI AS AN INDEPENDENT DIRECTOR

#### d) Postal Ballot or EGM

During the year under review, the Company has not called any EGM or passed any resolution through postal ballot

#### e) Means of Communication

Timely disclosure of consistent, comparable, relevant & reliable information on corporate financial performance is at the core of good governance. Towards this end:

- Quarterly/ Half Yearly/ Annual Results:** Quarterly, half yearly and annual results of the company are sent to the stock exchanges immediately after they are approved by the Board.

- ii. **Publication of Quarterly/Half Yearly/Annual Results:** Quarterly, half yearly and annual results of the company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board, at least in one English national newspaper and in one vernacular newspaper of Punjab, where the registered office of the company is situated.  
Quarterly financial results during the financial year 2022-23 were published as detailed below:

Quarter Ended as on	Date of Board Meeting	Date of Publication	Name of Newspapers
30.06.2022	12.08.2022	13.08.2022	<ul style="list-style-type: none"> <li>Financial Express (English)</li> <li>Punjabi Jagran (Punjabi)</li> </ul>
30.09.2022	14.11.2022	16.11.2022	
31.12.2022	14.02.2023	22.02.2023	
31.03.2023	30.05.2023	01.06.2023	

- iii. **Website:** Quarterly, half yearly and annual results of the company are sent to the stock exchanges as well are displayed on the Company's website [www.lwsknitwear.com](http://www.lwsknitwear.com) at the time of its release to the media.

#### 14. General Shareholders Information

The following information would be useful to our shareholders:

a) 34th Annual General Meeting

Date & Time	28.09.2023 at 09.30 A.M.
Venue	# B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab)
Financial Year	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023

b) **Financial Calendar 2023-24**

Last financial year of the Company was of twelve months from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023. Tentative financial calendar of the Company for the year 2023-24 shall be as follows:

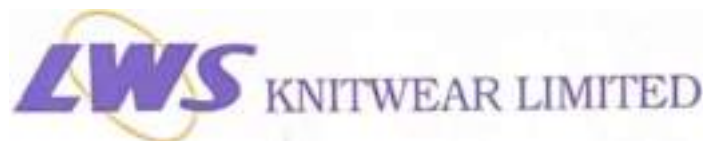
Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30 <sup>th</sup> June, 2023	During August, 2023
Financial Results for the quarter ending 30 <sup>th</sup> September, 2023	During November, 2023
Financial Results for the quarter ending 31 <sup>st</sup> December, 2023	During February, 2024
Financial Results for the quarter ending 31 <sup>st</sup> March, 2024	During May, 2024

c) **Date of Book Closure:**

22<sup>nd</sup> day of Sep, 2023 to 28<sup>th</sup> day of Sep, 2023 (both days inclusive)

d) **The shares of the Company are listed on the following Stock Exchanges:**

Name and Address of Stock Exchanges	Scrip Code
-------------------------------------	------------



The Bombay Stock Exchange Limited, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

531402

There are no pending dues with Bombay Stock Exchange.

**e)Registrar & Transfer Agent**

Beetal Financial and Computer Services Private Limited,  
Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Center,  
Near Data Harsukhdas Mandir, New Delhi- 110062,  
Ph: 011-29961281/82, Fax: 011-29961284  
e-mail: beetalrta@gmail.com

**f) Market price data**

Monthly high and low prices of equity shares of L W S KNITWEAR LIMITED at the Stock Exchange, Mumbai (BSE) in comparison to Sensex are given hereunder:-

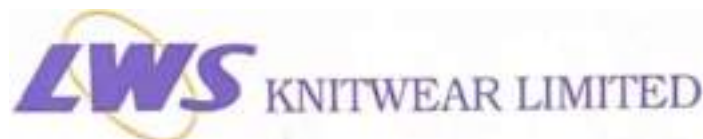
Month	BSE				
	Share Prices		No. of Trades	Sensex	
	High	Low		High	Low
April, 2022	21.5	13.21	392	60,845.10	56,009.07
May, 2022	20.1	12.75	174	57,184.21	52,632.48
June, 2022	19.95	14.6	105	56,432.65	50,921.22
July, 2022	15.73	12.5	69	57,619.27	52,094.25
August, 2022	16.9	12.15	140	60,411.20	57,367.47
September, 2022	17.5	12.16	184	60,676.12	56,147.23
October, 2022	19.55	15.45	138	60,786.70	56,683.40
November, 2022	18.55	13.35	111	63,303.01	60,425.47
December, 2022	17.2	13.52	119	63,583.07	59,754.10
January, 2023	16.35	13.85	80	61,343.96	58,699.20
February, 2023	14.25	11.78	50	61,682.25	58,795.97
March, 2023	12.72	11	78	60,498.48	57,084.91

Source: [www.bseindia.com](http://www.bseindia.com) and <https://in.investing.com>

**g) Share transfers**

Share transfers are done by the Company's Registrar and Share Transfer agents M/s Beetal Financial & Computer Services Private Ltd, New Delhi. Share transfers are registered and returned within a period of 30 days from the date of receipt.

**h) Dematerialization of Shares**



70.77 % of Equity Shares (35,80,000 shares) of the Company are in dematerialized form as on 31st March, 2023. The shares of the company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE281M01013.

**i) Outstanding Convertible Instruments**

The Company has no outstanding convertible instruments.

**j) Shareholding Pattern:**

i) Shareholding pattern of L W S KNITWEAR LIMITED as on 31.03.2023 is given as under:

Sr. No.	Category of shareholders	No. of Shares	%
1.	Promoters/Promoters Group	2925100	57.83
<b>Public</b>			
1.	HUF	6189	0.12
2.	Body Corporates	67711	1.34
3.	NRIs	2710	0.04
4.	Others (incl Individuals etc.)	2057230	40.67
	<b>TOTAL</b>	<b>5058400</b>	<b>100</b>

ii) Distribution of Shareholding as on 31.03.2023

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	3517	83.45	8001040	15.82
5001 To 10,000	448	10.63	3707110	7.33
10001 To 20,000	136	3.22	2077240	4.11
20001 To 30,000	40	0.94	997490	1.97
30001 To 40,000	15	0.35	519760	1.03
40001 To 50,000	24	0.56	1133350	2.24
50001 To 1,00,000	14	0.33	937360	1.85
1,00,000 and Above	20	0.47	33210650	65.65
<b>Total</b>	<b>4214</b>	<b>100.00</b>	<b>50584000.00</b>	<b>100.00</b>

**k) Address for Correspondence / Grievance**

L W S KNITWEAR LIMITED,  
G T Road (West), Ludhiana, Punjab, 141008  
0161-2744500

lwsknitwear@gmail.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

By order of the Board  
For **LWS KNITWEAR LIMITED**

Sd/-

**GIRISH KAPOOR**

MANAGING DIRECTOR

DIN-01870917

Place: Ludhiana

Date: 01.09.2023





**Declaration by Chief Executive Officer (CEO) under Regulation 34(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

I, Girish Kapoor, Chairman-cum-Managing Director of the Company hereby declare that members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management for the financial year ended 31<sup>st</sup> March 2023.

By order of the Board  
For **LWS KNITWEAR LIMITED**

Sd/-

**GIRISH KAPOOR**  
MANAGING DIRECTOR  
DIN-01870917

Place: Ludhiana  
Date: 01.09.2023



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2016)

We, Girish Kapoor, Chairman-cum-Managing Director and Arjun Kapoor, Chief Financial Officer of L W S KNITWEAR LIMITED, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 and that to the best of my knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishment and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee
  - a) significant changes in internal controls during the year.
  - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements, and
  - c) instances of significant fraud of which we have become aware and involvement therein, if any of the management or other employees who have a significant role in the company's internal controls systems.
5. We further declare that all board members and senior managerial personal have affirmed compliance with the code of conduct for the financial year 31<sup>st</sup> March, 2023.

For **L W S KNITWEAR LIMITED**

Sd/-  
(Arjun Kapoor)  
CFO

Sd/-  
(Girish Kapoor)  
Chairman-cum-Managing Director  
DIN: **01870917**

Place: Ludhiana  
Date: 01.09.2023

## **Annexure to the Report of the Board of Directors**

### **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of LWS Knitwear Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. Nil dated 19th May, 2023.
2. We, Rajiv Rajinder & Co, Chartered Accountants, the Statutory Auditors of LWS Knitwear Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

#### **Management's Responsibility**

3. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
4. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **Auditor's Responsibility**

5. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as

applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2023.
10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

Date – 27.05.2023

Place – Ludhiana

**For Rajiv Rajinder & Co.**

*Chartered Accountants*

Sd/-

**Rajiv Kumar**

*Partner*

*Membership No. – 096902*

*UDIN – 23096902BGUUOC1351*

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF LWS KNITWEAR LIMITED,**

### **REPORT ON AUDIT OF STANDALONE FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the accompanying standalone financial statements of **LWS Knitwear Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2023**, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **BASIS FOR OPINION**

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

## **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no Key audit matters to communicate in our report.

## **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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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 these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating for ensuring accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

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

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

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

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

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

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



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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the annexure a statement on the matters specified in paragraphs 3 & 4 of the order to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
  - I. We have sought and obtained all the information and explanations which to the best

of our knowledge and belief were necessary for the purposes of our audit.

- II. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- III. The Balance Sheet, Statement of Profit and Loss, the statement of change in equity and the statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
- IV. 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.
- V. On the basis of written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- VI. 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 A"; Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- VII. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion to the best of our information and accordance to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- VIII. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations if any as at 31st March, 2023 on its financial position in its standalone Ind AS financial statements - Refer Note 41 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

- iii. There has been no amount which required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend is declared or paid during the year by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Rajiv Rajinder & Co.**

*Chartered Accountants*

Sd/-

**Rajiv Kumar**

*Partner*

*Membership No. – 096902*

*UDIN – 23096902BGUUOC1351*

Date – 27.05.2023

Place – Ludhiana

## **Annexure A**

To the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **LWS Knitwear Limited** of even date)

### **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 **LWS Knitwear LIMITED** ("the Company") as of **March 31, 2023** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to standalone Financial statements.**

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 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 Rajiv Rajinder & Co.**

*Chartered Accountants*

Sd/-

**Rajiv Kumar**

*Partner*

*Membership No. – 096902*

*UDIN – 23096902BGUUOC1351*

Date – 27.05.2023

Place – Ludhiana



Annexure B

To the Independent Auditor's Report

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LWS Knitwear Limited of even date)**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2023, we report that:

- (i) In respect to fixed assets of the company:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets 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, company has no immoveable assets neither in its name nor acquired under any lease agreement. Hence we can't form any comments on this point.
  - (d) According to the information and explanations given to us, company has not revalued any of its fixed assets during the year.
  - (e) According to the information and explanations given to us, no litigation is pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As informed to us, stock of inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material; however, the same have been dealt with the books of account.  
  
(b) According to the information and explanations given to us, company has not been sanctioned working capital limits exceeding Rs.5.00 cr., in aggregate, from banks or financial institutions on the basis of security of current assets; during the year, hence no quarterly returns or statements have been filed by the company during the year.
- (iii) According to the information and explanations given to us, Company has not made any investments in, provided any guarantee or security or granted any loans or

advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, therefore the provisions of clause 3 of the CARO are not applicable to the company.

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of the section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security, as applicable.
- (v) According to information and explanations provided to us, the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order and accordingly the provisions of Sections 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to information and explanations provided to us, in respect of statutory dues;
  - (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, GST, Cess and any other statutory dues applicable to it.
  - (b) According to the information and explanation given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, value added tax, cess and any other statutory dues in arrears as at March 31, 2023 for a period more than 6 months from the date they became payable.
  - (c) In our opinion and according to the information and explanation given to us, during the year, no amount was pending to be transferred to Investor Education and Protection Fund.
- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account or no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or bank or debenture holders.

- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of clause (x) of the Order is not applicable.
- (b) Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence requirements of section 42 and section 62 of the Companies Act, 2013 are not applicable to the company;
- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) No whistle-blower complaints have been received during the year by the company;
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company,
- (a) Company has an internal audit system commensurate with its size and nature of its business;
- (b) Reports of the Internal Auditors for the period under audit were considered by the statutory auditor;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the Order is not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (xvii) Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) Statutory auditors of the company have not resigned during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, We are of the opinion that no material uncertainty exists as on the date of the audit report and company is 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;
- (xx) According to the information and explanations given to us, there is no pending amount which is required to be transferred to a fund specified in Schedule VII of the companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- (xxi) No adverse comments have been made by the auditors in other group companies.

**For Rajiv Rajinder & Co.**

*Chartered Accountants*

Sd/-

**Rajiv Kumar**

*Partner*

*Membership No. – 096902*

*UDIN – 23096902BGUUC1351*

Date – 27.05.2023

Place – Ludhiana

# LWS Knitwear Limited

Balance Sheet as at March 31, 2023

Amount & Figures in Thousands, unless otherwise stated

S. No.	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
(a)	<u>Property, Plant and Equipment and Intangible Assets</u>			
	(i) Property, Plant and Equipment	3	2,996.28	3,952.37
(b)	Deferred Tax Asset	4	181.20	-
(c)	Other Non-Current Assets	5	1,450.00	1,450.00
	<b>Sub-Total</b>		<b>4,627.48</b>	<b>5,402.37</b>
<b>2</b>	<b>Current Assets</b>			
(a)	Inventories	6	86,929.42	94,507.43
(b)	<u>Financial Assets</u>			
	(i) Trade Receivables	7	3,19,529.00	1,23,348.57
	(ii) Cash & Cash Equivalents	8	8,786.30	1,385.62
(c)	Other Current Assets	9	83,547.61	96,909.34
	<b>Sub-Total</b>		<b>4,98,792.33</b>	<b>3,16,150.96</b>
	<b>Total Assets</b>		<b>5,03,419.81</b>	<b>3,21,553.33</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
(a)	Equity Share Capital	10	50,584.00	50,584.00
(b)	Other Equity	11	57,278.95	54,360.87
	<b>Total Equity</b>		<b>1,07,862.95</b>	<b>1,04,944.87</b>
<b>2</b>	<b>Liabilities</b>			
<b>1</b>	<b>Non-Current Liabilities</b>			
(a)	<u>Financial Liabilities</u>			
	(i) Borrowings	12	1,03,867.97	10,954.91
(b)	Deferred Tax Liability	13	-	78.90
	<b>Sub-Total</b>		<b>1,03,867.97</b>	<b>11,033.81</b>
<b>3</b>	<b>Current Liabilities</b>			
(a)	<u>Financial Liabilities</u>			
	(i) Borrowings	14	55,830.20	39,016.65
	(ii) <u>Trade Payables</u>	15		
	(1) Dues to MSME		-	-
	(2) Dues to Other than MSME		2,33,586.10	1,58,580.80
	(iii) Other Financial Liabilities	16	109.91	347.91
(b)	Other Current Liabilities	17	1,110.68	6,598.29
(c)	Current Tax Liabilities (Net)	18	1,052.00	1,031.00
	<b>Sub-Total</b>		<b>2,91,688.89</b>	<b>2,05,574.65</b>
	<b>Total Equity &amp; Liabilities</b>		<b>5,03,419.81</b>	<b>3,21,553.33</b>
	<b>Summary of Significant Accounting Policies</b>	2		
The accompanying notes are the integral part of the Financial Statements				
<b>For Rajiv Rajinder and Co.</b> Chartered Accountants Firm Registration No. - 016366N  Sd/-  <b>Rajiv Kumar</b> Partner Membership No. - 096902  Ludhiana 27.05.2023			<b>For and on behalf of the Board</b>  Sd/- Sd/-  <b>Girish Kapoor</b> <b>Arjun Kapoor</b> Managing Director Director & CFO DIN - 01870917 DIN - 08632086  Sd/-  <b>Cheshta Sharma</b> Company Secretary	

# LWS Knitwear Limited

Statement of Profit and Loss for the year ended March 31, 2023

Amount & Figures in Thousands, unless otherwise stated

S. No.	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I</b>	<b><u>Continuing Operations</u></b>			
1	Revenue from Operations	19	6,26,152.44	6,17,563.31
2	Other Income	20	11.18	-
	<b>Total</b>		<b>6,26,163.62</b>	<b>6,17,563.31</b>
<b>II</b>	<b><u>Expenses</u></b>			
1	Purchase of Stock in Trade	21	6,02,389.63	5,99,717.13
2	Change in Inventories	22	7,578.01	7,012.49
3	Employee Benefits Expenses	23	1,886.05	1,515.00
4	Finance Costs	24	7,263.56	2,743.33
5	Depreciation and Amortization Expenses	25	1,004.32	1,038.43
6	Other Expenses	26	2,312.61	2,004.01
	<b>Total</b>		<b>6,22,434.18</b>	<b>6,14,030.39</b>
<b>III</b>	<b>Profit before Tax &amp; Exceptional Items (I - II)</b>		<b>3,729.44</b>	<b>3,532.92</b>
<b>IV</b>	<b>Exceptional items</b>		-	-
<b>V</b>	<b>Profit before Tax (III - IV)</b>		<b>3,729.44</b>	<b>3,532.92</b>
<b>VI</b>	<b>Tax Expense</b>			
1	Current Tax		1,052.00	1,031.00
2	Deferred Tax		(260.10)	(102.80)
	<b>Total Tax Expense (1 + 2)</b>		<b>791.90</b>	<b>928.20</b>
<b>VII</b>	<b>Profit for the year from Continuing Operations (V - VI)</b>		<b>2,937.54</b>	<b>2,604.72</b>
<b>VIII</b>	<b><u>Other Comprehensive Income</u></b>			
(a)	Items that will not be reclassified to Statement of Profit or Loss		-	-
(b)	Income Tax Effect		-	-
<b>IX</b>	<b>Other Comprehensive Income for the Year, Net of Tax</b>		-	-
<b>X</b>	<b>Total Comprehensive Income of the Year, net of Tax (VII + IX)</b>		<b>2,937.54</b>	<b>2,604.72</b>
<b>XI</b>	<b>Earnings per Share</b>			
1	Basic	28	0.58	0.51
2	Diluted	28	0.58	0.51
	<b>Summary of Significant Accounting Policies</b>	2		
The accompanying notes are the integral part of the Financial Statements				
<b>For Rajiv Rajinder and Co.</b> Chartered Accountants Firm Registration No. - 016366N  Sd/-  <b>Rajiv Kumar</b> Partner Membership No. - 096902  Ludhiana 27.05.2023			<b>For and on behalf of the Board</b>  Sd/-  <b>Girish Kapoor</b> Managing Director DIN - 01870917  Sd/-  <b>Arjun Kapoor</b> Director & CFO DIN - 08632086  <b>Cheshta Sharma</b> Company Secretary	

# LWS Knitwear Limited

Cash Flow Statement for the year ended March 31, 2023  
Amount & Figures in Thousands, unless otherwise stated

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I</b>	<b>Cash Flow from Operating Activities</b>		
<b>A</b>	<b>Profit before tax from continuing operations</b>	<b>3,729.44</b>	<b>3,532.92</b>
<b>B</b>	<b>Adjustment to reconcile profit before tax to net cash flows</b>		
1	<u>Non-Cash Adjustments</u>		
(i)	Depreciation and Amortisation Expenses	1,004.32	1,038.43
(ii)	Interest Paid	7,200.53	2,614.57
(iii)	Interest Paid - Others	58.11	12.76
<b>C</b>	<b>Operating Profit before Working Capital Changes</b>	<b>11,992.40</b>	<b>7,198.68</b>
1	(Increase)/ Decrease in Trade Receivables	(1,96,180.43)	(20,449.52)
2	(Increase)/ Decrease in Inventories	7,578.02	7,012.49
3	(Increase)/Decrease in Other Current Assets	13,361.73	(78,719.34)
4	(Increase)/Decrease in Non Current Assets	-	99.58
5	Increase/(Decrease) in Trade payables	75,005.30	15,439.42
6	Increase/(Decrease) in Other Current Liabilities	(5,487.61)	(9,864.35)
7	Increase/(Decrease) in Other Financial Liabilities	(238.00)	62.91
8	Increase/(Decrease) in Provisions	21.00	114.00
<b>D</b>	<b>Cash Generated from Operations</b>	<b>(93,947.59)</b>	<b>(79,106.12)</b>
1	Income Tax Paid	(791.90)	(928.20)
2	Previous Year Tax Adjustments	(355.02)	(161.06)
	<b>Net Cash Generated from Operating Activities</b>	<b>(95,094.51)</b>	<b>(80,195.38)</b>
<b>II</b>	<b>Cash Flows from Investing Activities</b>		
1	Purchase of Property, Plant and Equipment	(56.91)	-
2	Proceeds from Sale of Property, Plant & Equipment	344.24	-
3	Proceeds from Sale of Non Current Investments	-	36,924.65
	<b>Net Cash from Investing Activities</b>	<b>287.33</b>	<b>36,924.65</b>
<b>III</b>	<b>Cash Flows from Financing Activities</b>		
1	Proceeds from Short Term Borrowings (Net)	16,813.55	39,016.65
2	Proceeds from Long Term Borrowings (Net)	92,913.06	5,474.87
3	Increase in Deferred Tax Assets	(260.10)	(102.80)
4	Interest Paid	(7,258.64)	(2,627.33)
	<b>Net Cash from Financing Activities</b>	<b>1,02,207.87</b>	<b>41,761.39</b>
	<b>Net Increase in Cash and Cash Equivalents (I + II + III)</b>	<b>7,400.69</b>	<b>(1,509.34)</b>
	<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,385.62</b>	<b>2,894.96</b>
	<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>8,786.30</b>	<b>1,385.62</b>

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	<b>Components of Cash and Cash Equivalents</b>		
1	<u>Balances with banks</u> In Current Account	1,228.77	240.49
2	Cash In Hand	7,557.53	1,145.13
	<b>Total Cash and Cash Equivalents</b>	<b>8,786.30</b>	<b>1,385.62</b>
<b>For Rajiv Rajinder and Co.</b> Chartered Accountants Firm Registration No. - 016366N  Sd/-  <b>Rajiv Kumar</b> Partner Membership No. - 096902  Ludhiana 27.05.2023		<b>For and on behalf of the Board</b>  Sd/- Sd/-  <b>Girish Kapoor</b> <b>Arjun Kapoor</b> Managing Director Director & CFO DIN - 01870917 DIN - 08632086  Sd/-  <b>Cheshta Sharma</b> Company Secretary	

**LWS Knitwear Limited**
**Statement of Changes in Equity for the year ended March 31, 2023**
**Amount & Figures in Thousands, unless otherwise stated**

S. No.	Particulars	Share Capital	Other Equity		Total Reserves and Surplus	Total equity
			Retained Earnings	Security Premium Reserve		
		(1)	(2)	(3)	(2) + (3) = (4)	(1) + (4)
<b>1</b>	<b>As at April 01, 2021</b>	50,584.00	49,917.21	2,000.00	51,917.21	1,02,501.21
(a)	Add: Profit for the year	-	2,604.72	-	2,604.72	2,604.72
(b)	Less: Other Adjustments	-	(161.06)	-	(161.06)	(161.06)
<b>2</b>	<b>As at March 31, 2022</b>	<b>50,584.00</b>	<b>52,360.87</b>	<b>2,000.00</b>	<b>54,360.87</b>	<b>1,04,944.87</b>
(a)	Add: Profit for the year	-	2,937.54	-	2,937.54	2,937.54
(b)	Less: Other Adjustments	-	(19.46)	-	(19.46)	(19.46)
<b>3</b>	<b>As at March 31, 2023</b>	<b>50,584.00</b>	<b>55,278.95</b>	<b>2,000.00</b>	<b>57,278.95</b>	<b>1,07,862.95</b>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>For Rajiv Rajinder and Co.</b> Chartered Accountants Firm Registration No. - 016366N</p> <p>Sd/-</p> <p><i>Rajiv Kumar</i> Partner Membership No. - 096902</p> <p>Ludhiana 27.05.2023</p> </div> <div style="width: 45%; text-align: center;"> <p><b>For and on behalf of the Board</b></p> <div style="display: flex; justify-content: space-around;"> <div style="width: 30%;"> <p>Sd/-</p> <p><b>Girish Kapoor</b> Managing Director DIN - 01870917</p> </div> <div style="width: 30%;"> <p>Sd/-</p> <p><b>Arjun Kapoor</b> Director &amp; CFO DIN - 08632086</p> </div> </div> <p>Sd/-</p> <p><b>Cheshta Sharma</b> Company Secretary</p> </div> </div>						



# LWS Knitwear Limited

Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

## 1. CORPORATE INFORMATION

LWS Knitwear Limited ("the Company") is a **Public Limited Company** domiciled in India and incorporated on **May 09, 1989** under the provision of **Companies Act, 1956** vide **CIN - L17115PB1989PLC009315** and is listed on the **Bombay Stock Exchange** of India vide ISIN – INE281M01013. The Registered Office of the Company is located at **G.T. Road (West), Ludhiana – 141 008**. The Company is presently engaged in activities spanning across knitted cloth, hosiery goods and ready-made garments.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation and compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial Statement.

These Financial Statements include Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The Financial Statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest **Thousands** except wherever otherwise stated.

### 2.2 Summary of Significant Accounting Policies

#### (A) Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**An asset is treated as current when it is:**

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

All other assets are classified as non-current.

**A liability is treated as current when:**

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified **twelve months** as its operating cycle.

#### (B) Fair Value Measurement

# LWS Knitwear Limited

## Notes forming part of the Balance Sheet

### Amount & Figures in Thousands, unless otherwise stated

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that entity can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **(C) Foreign Currency**

##### **(i) Functional and Presentation Currency**

The financial statements of the Company are presented using Indian Rupee (Rs.), which is also our functional currency i.e. currency of the primary economic environment in which the company operates.

##### **(ii) Transactions and Balances**

Foreign currency transactions are translated into the respective functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

#### **(D) Property, Plant and Equipment**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, Plant and Equipment acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress". (Also refer to policies on leases, borrowing costs, impairment of assets and foreign currency transactions).

# LWS Knitwear Limited

## Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

Depreciation is recognised using **Straight Line Method** so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic-benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to / deductions from, owned assets is calculated pro rata to the period of use.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Freehold land is not depreciated.

### **(E) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development".

Intangible assets are amortised on Straight-Line Basis over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

### **(F) Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely, independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI upto the amount of any previous revaluation surplus.

# **LWS Knitwear Limited**

## **Notes forming part of the Balance Sheet**

### **Amount & Figures in Thousands, unless otherwise stated**

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate; and when circumstances indicate that the carrying value may be impaired.

#### **(G) Non-Current Assets Held For Sale**

The Company classifies non-current assets and disposal groups as 'Held For Sale' if their carrying amounts will be recovered principally through a sale rather than through continuing use and sale is highly probable i.e. actions required to complete the sale indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, Plant and Equipment and intangible assets once classified as held for sale are not depreciated or amortised.

#### **(H) Earnings per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### **(I) Cash and Cash Equivalents**

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **(J) Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

#### **(K) Investment Property**

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

# LWS Knitwear Limited

## Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

Depreciation is recognised using Straight-Line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

### (L) Inventories

Inventories which comprise raw material, work in progress, finished goods, traded goods and stores and spares are valued at the lower of cost and net realisable value.

The basis of determining costs for various categories of inventories is as follows:

#### (i) Raw materials, Components and Stores and Spares

Lower of cost and net realizable value. Cost ascertained on Weighted Average basis includes all the purchase price, duties and taxes which are not recoverable from government authorities, freight inwards and other expenditure directly attributable to the acquisition. 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.

#### (ii) Stores and Spares

It includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

#### (iii) Work-In-Progress and Manufactured Finished Goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

#### (iv) Traded Goods

Lower of cost and net realizable value. Cost ascertained on Weighted Average basis includes all the purchase price, duties and taxes which are not recoverable from government authorities, freight inwards and other costs incurred in bringing 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.

### (M) Leases

#### (i) Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### 1) Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a Straight-Line basis from the commencement date to the end of lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

# **LWS Knitwear Limited**

*Notes forming part of the Balance Sheet*

*Amount & Figures in Thousands, unless otherwise stated*

The right-of-use assets are also subject to impairment as mentioned in the Impairment of non-financial assets section of the accounting policies of the company.

## **2) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

## **3) Short Term Leases and Leases of Low Value of Assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **(ii) Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## **(N) Financial Instruments**

### **(i) Initial Recognition**

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

### **(ii) Financial Assets**

#### **Subsequent Measurement**

All recognised financial assets are subsequently measured at amortized cost using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through Other Comprehensive Income (FVOCI).

## **1) Equity Investments in Subsidiaries, Associates and Joint Venture**

The Company accounts for its investment in subsidiaries, joint ventures and associates and other equity investments in subsidiary companies at cost in accordance with Ind AS 27 - 'Separate Financial Statements'.

Investment in Compulsory Convertible Debentures of subsidiary company is treated as equity investments, since they are convertible into fixed number of equity shares of subsidiary.

# LWS Knitwear Limited

Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

Investment made by way of Financial Guarantee contracts in subsidiary, associate and joint venture companies are initially recognised at fair value of the Guarantee.

Interest free loans given by the Company to its subsidiaries associates and joint venture are in the nature of perpetual debt which are repayable at the discretion of the borrowers. The borrower has classified, the said loans as equity under **Ind AS-32** 'Financial Instruments Presentation'. Accordingly the Company has classified this investment as Equity Instrument and has accounted at cost as per **Ind AS-27** 'Separate Financial Statements'.

## 2) Equity Investments (other than investments in subsidiaries, associates and joint venture)

All equity investments falling within the scope of **Ind-AS 109** are mandatorily measured at Fair Value through Profit and Loss (FVTPL) with all fair value changes recognized in the Statement of Profit and Loss.

The Company has an irrevocable option of designating certain equity instruments as FVOCI. Option of designating instruments as FVOCI is done on an instrument-by-instrument basis. The classification made on initial recognition is irrevocable.

If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in Statement of Other Comprehensive Income (SOI). Amounts from SOI are not subsequently transferred to profit and loss, even on sale of investment.

## 3) Investment in Preference Shares

Investment in preference shares are classified as debt instruments and carried at amortised cost if they are not convertible into equity instruments and are not held to collect contractual cash flows. Other Investment in preference shares which are classified as debt instruments are carried at FVTPL.

Investment in convertible preference shares of subsidiary, associate and joint venture companies are treated as equity instruments and carried at cost. Other Investment in convertible preference shares which are classified as equity instruments are mandatorily carried at FVTPL.

## 4) De-recognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and with that –

- a) the Company has transferred substantially all the risks and rewards of the asset, or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## 5) Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. **Ind AS 109** requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables and/or contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## (iii) Financial Liabilities

### Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Subsequent measurement

# LWS Knitwear Limited

## Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

The company have all the borrowings at floating interest rate. Being variable interest rate, it is not possible to estimate future cash flows. Borrowings are recognised initially at an amount equal to the principal receivable or payable on maturity. So, re-estimating the future cash flows has no significant impact on the carrying value of Borrowings. Transaction costs are not material to be included in the EIR calculation. So the carrying value is being considered as amortised cost for all the borrowings bearing a floating interest rate. For trade and other payables maturing within one year from the balance sheet date, the carrying are Amortised Cost.

Financial Liabilities recognised at FVTPL, including derivatives, are subsequently measured at fair value.

### 1) **Compound Financial Instruments**

Compound financial instruments issued by the company is an instrument which creates a financial liability on the issuer and which can be converted into fixed number of equity shares at the option of the holders.

Such instruments are initially recognised by separately accounting the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequently.

### 2) **Financial Guarantee Contracts**

Financial guarantee contracts are initially recognised as a liability at fair value. The liability is subsequently measured at carrying amount less amortization or amount of loss allowance determined as per impairment requirements of **Ind AS 109**, whichever is higher. Amortisation is recognised as finance income in the Statement of Profit and Loss.

### 3) **De-Recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **Re-classification of Financial Instruments**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets, such as equity instruments designated at FVTPL or FVOCI and financial liabilities or financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

## O) **Revenue Recognition**

### (i) **Revenue**

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

### 1) **Sale of Products**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Company collects Goods & Service Tax (GST) on behalf of the



# LWS Knitwear Limited

## Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Variable consideration includes trade discounts, volume rebates and incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Company adjusts estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

### 2) Insurance & Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

### (ii) Contract Balances

#### 1) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets represent revenue recognized in excess of amounts billed and include unbilled receivables. Unbilled receivables, which represent an unconditional right to payment subject only to the passage of time, are reclassified to accounts receivable when they are billed under the terms of the contract.

#### 2) Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### 3) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Contract liabilities include unearned revenue which represent amounts billed to clients in excess of revenue recognized to date and advances received from customers. For contracts where progress billing exceeds, the aggregate of contract costs incurred to date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as unearned revenue. Amounts received before the related work is performed are disclosed in the balance sheet as contract liability and termed as advances received from customers.

### P) Interest Income

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "**Other Income**" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "**Other Income**" in the statement of profit and loss.

### Q) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

# LWS Knitwear Limited

Notes forming part of the Balance Sheet

Amount & Figures in Thousands, unless otherwise stated

(i) **Borrowing Cost under Service Concession Arrangements**

Borrowing costs attributable to the construction of qualifying assets under service concession arrangement classified as intangible asset, are capitalised to the date of its intended use.

Borrowing costs attributable to concession arrangement classified as financial assets are charged to Statement of Profit and Loss in the period in which such costs are incurred.

(ii) Other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

**R) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated as at the balance sheet date. Provisions are measured based on management's estimate required to settle the obligation at the balance sheet date and are discounted using a rate that reflects the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Other Litigation Claims**

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

**Onerous Contracts**

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets with the contract.

**S) Taxes**

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate and changes in deferred tax assets and liabilities attributable to temporary differences. The current income tax charge is calculated in accordance with the provisions of the Income Tax Act 1961.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and brought forward losses only if it is probable that future taxable profit will be available to realise the temporary differences.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**T) Employee Benefits**

(i) **Short-Term obligations**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. These are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) **Post-Employment obligations i.e.**

- Defined benefit plans and
- Defined contribution plans

# **LWS Knitwear Limited**

*Notes forming part of the Balance Sheet*

*Amount & Figures in Thousands, unless otherwise stated*

## **Defined Benefit Plans**

The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

## **Defined Contribution Plans**

The Company's contribution to provident fund, employee state insurance scheme, superannuation fund and National Pension Scheme (NPS) are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 3 Property, Plant and Equipment and Intangible Assets

### 3.1 The carrying value of Property, Plant and Equipment -

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b><u>Plant &amp; Machinery</u></b>		
(a)	Machinery	555.83	651.14
<b>2</b>	<b><u>Miscellaneous Assets</u></b>		
(a)	Computer & Printers	13.56	1.41
(b)	Vehicles	2,306.26	3,186.98
(c)	Mobile Phones	78.28	105.57
(d)	Furniture & Fixture	42.35	4.75
(e)	Office Equipments	-	1.23
(f)	Water Cooler	-	1.29
	<b>Total</b>	<b>2,996.28</b>	<b>3,952.37</b>

### 3.2 Property, Plant and Equipment and Intangible Assets

S. No.	Particulars	Plant and Machinery	Computer	Vehicles	Mobile Phones	Furniture & Fixture	Office Equipments	Water Cooler	Total
<b>A</b>	<b>GROSS BLOCK</b>								
1	<b>As at April 1, 2021</b>	<b>5,260.70</b>	<b>28.20</b>	<b>7,637.19</b>	<b>143.64</b>	<b>94.92</b>	<b>195.32</b>	<b>25.80</b>	<b>13,385.77</b>
(a)	Additions	-	-	-	-	-	-	-	-
(b)	Disposals	-	-	-	-	-	-	-	-
2	<b>As at March 31, 2022</b>	<b>5,260.70</b>	<b>28.20</b>	<b>7,637.19</b>	<b>143.64</b>	<b>94.92</b>	<b>195.32</b>	<b>25.80</b>	<b>13,385.77</b>
(a)	Additions	-	14.41	-	-	42.50	-	-	56.91
(b)	Disposals	-	(28.20)	-	-	(94.92)	(195.32)	(25.80)	(344.24)
3	<b>As at March 31, 2023</b>	<b>5,260.70</b>	<b>14.41</b>	<b>7,637.19</b>	<b>143.64</b>	<b>42.50</b>	<b>-</b>	<b>-</b>	<b>13,098.44</b>
<b>B</b>	<b>ACCUMULATED DEPRECIATION</b>								
1	<b>As at April 1, 2021</b>	<b>4,514.25</b>	<b>26.79</b>	<b>3,542.92</b>	<b>10.78</b>	<b>90.17</b>	<b>185.55</b>	<b>24.51</b>	<b>8,394.97</b>
(a)	Charge for the year	95.31	-	907.30	27.29	-	8.54	-	1,038.44
(b)	Disposals	-	-	-	-	-	-	-	-
2	<b>As at March 31, 2022</b>	<b>4,609.56</b>	<b>26.79</b>	<b>4,450.21</b>	<b>38.07</b>	<b>90.17</b>	<b>194.09</b>	<b>24.51</b>	<b>9,433.41</b>
(a)	Charge for the year	95.31	0.85	880.71	27.29	0.16	-	-	1,004.32
(b)	Disposals	-	(26.79)	-	-	(90.17)	(194.09)	(24.51)	(335.56)
3	<b>As at March 31, 2023</b>	<b>4,704.87</b>	<b>0.85</b>	<b>5,330.93</b>	<b>65.36</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>10,102.16</b>
<b>C</b>	<b>NET BLOCK</b>								
1	<b>As at March 31, 2023</b>	<b>555.83</b>	<b>13.56</b>	<b>2,306.26</b>	<b>78.28</b>	<b>42.35</b>	<b>-</b>	<b>-</b>	<b>2,996.28</b>
2	<b>As at March 31, 2022</b>	<b>651.14</b>	<b>1.41</b>	<b>3,186.98</b>	<b>105.57</b>	<b>4.75</b>	<b>1.23</b>	<b>1.29</b>	<b>3,952.37</b>

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 4 Deferred Tax Asset

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Deferred Tax Asset	181.20	-
	<b>Total</b>	<b>181.20</b>	<b>-</b>

## 5 Other Non-Current Assets

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Advance to Suppliers	1,450.00	1,450.00
	<b>Total</b>	<b>1,450.00</b>	<b>1,450.00</b>

## 6 Inventories

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Finished Goods	86,929.42	94,507.43
	<b>Total</b>	<b>86,929.42</b>	<b>94,507.43</b>

## 7 Trade Receivables

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Trade Receivables	2,85,744.30	73,921.78
2	Receivables from Related Parties	33,784.70	49,426.79
	<b>Total</b>	<b>3,19,529.00</b>	<b>1,23,348.57</b>

7.1 Trade receivables are non-interest bearing and are generally on terms of not more than 45-60 days.

### 7.2 Trade Receivables Ageing

#### 7.2.1 As at March 31, 2023

S. No.	Particulars	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>1</b>	<b><u>Undisputed Trade Receivables</u></b>						
(a)	Considered Good	2,05,805.94	13,907.69	17,777.76	21,272.59	60,765.02	<b>3,19,529.00</b>
(b)	Credit Impaired	-	-	-	-	-	-
<b>2</b>	<b><u>Disputed Trade Receivables</u></b>						
(a)	Considered Good	-	-	-	-	-	-
(b)	Credit Impaired	-	-	-	-	-	-
	<b>Total</b>	<b>2,05,805.94</b>	<b>13,907.69</b>	<b>17,777.76</b>	<b>21,272.59</b>	<b>60,765.02</b>	<b>3,19,529.00</b>

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 7.2.2 As at March 31, 2022

S. No.	Particulars	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>1</b>	<b><u>Undisputed Trade Receivables</u></b>						
(a)	Considered Good	69,581.05	0.14	25,608.65	7,642.78	20,515.95	<b>1,23,348.57</b>
(b)	Credit Impaired	-	-	-	-	-	-
<b>2</b>	<b><u>Disputed Trade Receivables</u></b>						
(a)	Considered Good	-	-	-	-	-	-
(b)	Credit Impaired	-	-	-	-	-	-
	<b>Total</b>	<b>69,581.05</b>	<b>0.14</b>	<b>25,608.65</b>	<b>7,642.78</b>	<b>20,515.95</b>	<b>1,23,348.57</b>

## 8 Cash and Cash Equivalents

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	<u>Balances with Banks -</u>		
(a)	In Current Account	1,228.77	240.49
2	Cash In Hand	7,557.53	1,145.13
	<b>Total</b>	<b>8,786.30</b>	<b>1,385.62</b>

## 9 Other Current Assets

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Advances to Related Parties	58,832.93	2,171.65
2	Advances to Others	23,923.49	92,999.42
3	Duties & Taxes	742.83	1,689.34
4	Misc. Receivables	48.36	48.93
	<b>Total</b>	<b>83,547.61</b>	<b>96,909.34</b>

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 10 Share Capital

### 10.1 Details of Share Capital :

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b><u>Authorised Share Capital</u></b>		
(a)	55 Lakhs (March 31, 2022: 55 Lakhs) equity shares of INR 10 each	55,000.00	55,000.00
		<b>55,000.00</b>	<b>55,000.00</b>
<b>2</b>	<b><u>Issued, Subscribed and Paid Up</u></b>		
(a)	50.854 Lakhs (March 31, 2023: 50.854 Lakhs) equity shares of INR 10 each	50,584.00	50,584.00
		<b>50,584.00</b>	<b>50,584.00</b>

### 10.2 Reconciliation of authorised, issued, subscribed and paid up share capital:

#### 10.2.1 Reconciliation of authorised share capital as at year end :

S. No.	Particulars	Equity Shares	
		No. of shares	Amount
<b>1</b>	<b>At April 1, 2022</b>	<b>5,500.00</b>	<b>55,000.00</b>
(a)	Increase/(decrease) during the year	-	-
<b>2</b>	<b>At March 31, 2022</b>	<b>5,500.00</b>	<b>55,000.00</b>
(a)	Increase/(decrease) during the year	-	-
<b>3</b>	<b>At March 31, 2023</b>	<b>5,500.00</b>	<b>55,000.00</b>

#### 10.2.2 Reconciliation of issued, subscribed and paid up share capital as at year end:

S. No.	Particulars	Equity Shares	
		No. of shares	Amount
	<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>1</b>	<b>At April 1, 2022</b>	<b>5,058.40</b>	<b>50,584.00</b>
(a)	Issued during the year	-	-
<b>2</b>	<b>At March 31, 2022</b>	<b>5,058.40</b>	<b>50,584.00</b>
(a)	Issued during the year	-	-
<b>3</b>	<b>At March 31, 2023</b>	<b>5,058.40</b>	<b>50,584.00</b>

### 10.3 Terms/ Rights attached to Equity Shares:

- 10.3.1 The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 10.3.2 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 10.4 Details of shareholders holding more than 5% shares in the company

S. No.	Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Girish Kapoor	774.70	15.32%	774.70	15.32%
2	Kusum Kapoor	2,059.90	40.72%	2,059.90	40.72%

- 10.5 As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### 10.6 Details of shares held by Promoters

#### 10.6.1 As at 31 March 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year (no. of shares)	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Girish Kapoor	774.70	-	774.70	15.32%	-
2	Kusum Kapoor	2,059.90	-	2,059.90	40.72%	-
	<b>Total</b>	<b>2,834.60</b>	<b>-</b>	<b>2,834.60</b>	<b>56.04%</b>	<b>-</b>

#### 10.6.2 As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year (no. of shares)	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Girish Kapoor	774.70	-	774.70	15.32%	-
2	Kusum Kapoor	2,059.90	-	2,059.90	40.72%	-
	<b>Total</b>	<b>2,834.60</b>	<b>-</b>	<b>2,834.60</b>	<b>56.04%</b>	<b>-</b>

**10.7** There are no shares issued under the Employee Stock Option Plan or by way of bonus shares or pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the balance sheet date.

**10.8** There are no shares which are bought back by the company during the period of five years immediately preceding the balance sheet date.

### 11 Other Equity

#### 11.1 Reconciliation of Other equity

S. No.	Particulars	Securities Premium Reserve	Retained Earnings	Total
<b>1</b>	<b>As at April 1, 2022</b>	2,000.00	52,360.87	54,360.87
(a)	Profit for the year	-	2,937.54	2,937.54
(b)	Less - Adjustments made during the year	-	19.46	19.46
	<b>As at March 31, 2023</b>	<b>2,000.00</b>	<b>55,278.95</b>	<b>57,278.95</b>



# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 12 Borrowings - Non-Current

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b>Secured Loans</b>		
(a)	<u>Term Loans</u>		
	From Banks	38,248.29	3,641.47
<b>2</b>	<u>Unsecured Loans</u>		
(a)	From Directors	65,619.68	7,313.44
	<b>Total</b>	<b>1,03,867.97</b>	<b>10,954.91</b>

### 12.1 Loan from Banks

12.1.1 Deutsche Bank has sanctioned Loan against Property and has charge over immovable properties as mentioned in the sanction letter. The said loan is repayable in 180 monthly installments. The loans carries interest rate as mentioned in the respective sanction letter of the bank subject to revision from time to time.

12.1.2 Vehicle Loans is secured by Hypothecation of such vehicle and is repayable over 32 to 48 equated monthly installments. The loans carries interest rate as mentioned in the respective sanction letter of the bank subject to revision from time to time.

### 12.2 Unsecured Loan from Directors

12.2.1 Unsecured Loan is repayable as demanded by the lender.

## 13 Deferred Tax Liability

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	<b>Opening Balance</b>	78.90	181.70
(b)	Add - Provision for the year on account of difference in depreciation	(78.90)	(102.80)
	<b>Total</b>	<b>-</b>	<b>78.90</b>

## 14 Borrowings - Current

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b>Secured Loans</b>		
(a)	<b>Loans Repayable on Demand</b>		
(i)	From Banks	54,652.66	37,217.95
(b)	Current Maturities of Long Term Debt	1,177.54	1,798.70
	<b>Total</b>	<b>55,830.20</b>	<b>39,016.65</b>

14.1 Working Capital Limits are availed from Deutsche Bank by way of Overdraft Limit. The said limit is secured against the collateral securities mortgaged with the bank. The working capital limit is repayable on demand and carries interest rate as mentioned in the respective sanction letter of the bank subject to revision from time to time.

## 15 Trade Payables

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Dues to MSME	-	-
2	Dues to Other than MSME	2,33,586.10	1,58,580.80
	<b>Total</b>	<b>2,33,586.10</b>	<b>1,58,580.80</b>

15.1 Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 15.2 Trade Payables Ageing Schedule

### 15.2.1 As at March 31, 2023

S. No.	Particulars	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>1</b>	<b>Undisputed Trade Payables</b>					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	1,72,258.34	-	57,610.14	3,717.62	<b>2,33,586.10</b>
<b>2</b>	<b>Disputed Trade Payables</b>					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	-	-	-	-	-
	<b>Total</b>	<b>1,72,258.34</b>	<b>-</b>	<b>57,610.14</b>	<b>3,717.62</b>	<b>2,33,586.10</b>

### 15.2.2 As at March 31, 2022

S. No.	Particulars	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>1</b>	<b>Undisputed Trade Payables</b>					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	96,244.56	57,770.76	2,233.68	2,331.80	<b>1,58,580.80</b>
<b>2</b>	<b>Disputed Trade Payables</b>					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	-	-	-	-	-
	<b>Total</b>	<b>96,244.56</b>	<b>57,770.76</b>	<b>2,233.68</b>	<b>2,331.80</b>	<b>1,58,580.80</b>

## 16 Other Financial Liabilities

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Interest Accrued But Not Due	43.91	62.91
2	Due to Employees	66.00	285.00
	<b>Total</b>	<b>109.91</b>	<b>347.91</b>

## 17 Other Current Liabilities

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Statutory Dues Payable	171.21	599.67
2	Other Payables	939.47	5,998.62
	<b>Total</b>	<b>1,110.68</b>	<b>6,598.29</b>

## 18 Current Tax Liabilities (Net)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Provision for Income Tax	1,052.00	1,031.00
	<b>Total</b>	<b>1,052.00</b>	<b>1,031.00</b>

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 19 Revenue from Operations

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Sale of Products	6,26,152.44	6,17,563.31
	<b>Total</b>	<b>6,26,152.44</b>	<b>6,17,563.31</b>

## 20 Other Income

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Rebate & Discount	11.18	-
	<b>Total</b>	<b>11.18</b>	<b>-</b>

## 21 Purchase of Stock in Trade

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Purchase Goods	6,02,389.63	5,99,717.13
	<b>Total</b>	<b>6,02,389.63</b>	<b>5,99,717.13</b>

## 22 Change in Inventories

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A</b>	<b><u>Inventories At The Beginning Of The Year</u></b> Stock Of Finished Goods / Traded Goods	94,507.43	1,01,519.92
<b>B</b>	<b><u>Inventories At The End Of The Year</u></b> Stock Of Finished Goods / Traded Goods	86,929.42	94,507.43
	<b>Increase / Decrease in Stocks</b>	<b>7,578.01</b>	<b>7,012.49</b>

## 23 Employee Benefits Expenses

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Salaries	1,646.05	1,275.00
2	Directors Remuneration & Perquisites	240.00	240.00
	<b>Total</b>	<b>1,886.05</b>	<b>1,515.00</b>

# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 24 Finance Costs

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Bank Charges	4.92	116.00
2	Bank Interest	7,200.53	2,614.57
3	Interest to Others	58.11	12.76
	<b>Total</b>	<b>7,263.56</b>	<b>2,743.33</b>

## 25 Depreciation and Amortization Expenses

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Depreciation	1,004.32	1,038.43
	<b>Total</b>	<b>1,004.32</b>	<b>1,038.43</b>

## 26 Other Expenses

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Audit Fee (Refer Note 26.1)	40.00	30.00
2	Advertisement Expenses	121.35	36.50
3	Brokerage & Commission	400.00	450.00
4	Freight & Cartage	256.66	-
5	Professional Expenses	658.34	760.97
6	Rent	120.00	120.00
7	Vehicle Repair & Maintenance	316.07	316.65
8	Fine & Penalty	165.15	-
9	Loss from Partnership Firm	-	75.88
10	Miscellaneous Expenses*	235.04	214.01
	<b>Total</b>	<b>2,312.61</b>	<b>2,004.01</b>

\*Does not include any item or expenditure with a value of more than 1% of the revenue from operations.

### 26.1 Payments made to Auditor is as follows:

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	<b>As auditor</b>		
(a)	Audit Fee	22.00	18.00
(b)	Tax Audit Fee	18.00	12.00
	<b>Total</b>	<b>40.00</b>	<b>30.00</b>

## LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### 27 Related Party Disclosures

#### 27.1 List of Related Parties where control exist and related parties with whom transactions have taken place and relationships

S. No.	Name of Related Party	Nature of Relationship
1 2 3	Mr. Girish Kapoor Mr. Arjun Kapoor Ms. Laxmi Khatri	Key Managerial Personnel
4 5	Mr. Ramesh Kumar Sharma Mrs. Neelam Bahri	
6 7 8 9 10 11 12	M/s LWS Knitwear LWS Export Limited Gee Kay Knitwear Private Limited M/s ABC Inc. M/s Dee Enn Knitwear M/s Gopal Knitwear Trader M/s Kay Dee Garments	
		Independent Directors
		Enterprise over which KMP can exercise significant influence

#### 27.2 Related Party Transactions -

S. No.	Particulars of Transactions	Current Year	Previous Year
1	<b>Key Managerial Personnel</b>		
(a)	Remuneration	292.50	240.00
(b)	Unsecured Loan Accepted	58,306.24	7,313.44
2	<b>Associate Concerns</b>		
(a)	Sales	9,879.41	44,497.51
(b)	Purchases	64,844.97	-
(c)	Profit / (Loss) from Partnership Firm	-	(75.88)
3	<b>Closing Balances</b>		
(a)	Key Managerial Personnel (Cr.)	65,619.68	7,313.44
(b)	Associate Concerns (Cr.)	10,246.72	-
(c)	Associate Concerns (Dr.)	92,617.63	51,598.44

### 28 Earnings per share (EPS)

28.1 Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

28.2 Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### 28.3 The following reflects the income and share data used in the basic and diluted EPS computations:

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Profit attributable to the equity share holders		
(a)	Continuing operations	2,937.54	2,604.72
(b)	Weighted average number of equity shares for basic and diluted EPS (in lakhs)	5,058.40	5,058.40
(c)	Basic and diluted earnings per share (face value INR 10 per share) for continuing operations	0.58	0.51

28.4 There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

# LWS Knitwear Limited

## Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### 29 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### 29.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on amounts recognised in the financial statements -

#### 29.2 Contingencies

Contingent liability may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and use of estimates regarding the outcome of future events.

#### 29.3 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 29.4 Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 29.5 Property, plant and equipment

Refer note 2.2 (D) for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 3.

### 30 Gratuity and other post-employment benefit plans

The company has not made any provision for gratuity as none of the employees is eligible for gratuity. The rules of Provident Fund and ESI act is not applicable on the company; hence the company has not deducted and deposited any ESI and Provident Fund on behalf of its employees, hence Ind AS-19 is not applicable on the company.

### 31 Commitments and Contingent Liabilities

There was no contingent liability; hence no provision has been made in the financial statements of the company.

### 32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

32.1 None of our suppliers have come forward with their registration under the MSME Development Act, 2006.

32.2 The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March 2023 and 31st March 2022 is as under -

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(a)	Principal amount due to micro and small enterprises	-	-
(b)	Interest due on above	-	-
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

# LWS Knitwear Limited

## Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### 33 Segment Information

Ind AS-108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographical areas, and major customers. The Company has only one business segment primarily Hosiery Goods. Based on the 'management approach' as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment and accordingly make decision about the resources allocation. In view of the same, segment reporting information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments". The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

### 34 Capital Management

34.1 For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Borrowings (Non-Current and Current)	1,59,698.17	49,971.56
2	Less: Cash and cash equivalents	(8,786.30)	(1,385.62)
3	Net Debt	1,50,911.87	48,585.94
4	Equity	1,07,862.95	1,04,944.87
5	<b>Capital and Net Debt</b>	<b>2,58,774.82</b>	<b>1,53,530.81</b>
6	Gearing Ratio	58%	32%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 & 31st March 2022.

### 35 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values -

#### 35.1 Fair value of financial assets -

S. No.	Particulars	Carrying Values		Fair Values	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	<b>Financial assets whose fair value approximate their carrying value</b>				
(i)	Trade Receivables	3,19,529.00	1,23,348.57	3,19,529.00	1,23,348.57
(ii)	Cash and Cash Equivalents	8,786.30	1,385.62	8,786.30	1,385.62
	<b>Total</b>	<b>3,28,315.30</b>	<b>1,24,734.19</b>	<b>3,28,315.30</b>	<b>1,24,734.19</b>

#### b) Fair value of financial liabilities -

S. No.	Particulars	Carrying Values		Fair Values	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	<b>Financial liabilities whose fair value approximate their carrying value</b>				
(i)	Trade payables & Other Payables	2,33,696.01	1,58,928.71	2,33,696.01	1,58,928.71
(ii)	Long-Term Borrowings	1,03,867.97	10,954.91	1,03,867.97	10,954.91
(iii)	Short-Term Borrowings	55,830.20	39,016.65	55,830.20	39,016.65
	<b>Total</b>	<b>3,93,394.18</b>	<b>2,08,900.27</b>	<b>3,93,394.18</b>	<b>2,08,900.27</b>

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

# LWS Knitwear Limited

## Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### Discount Rate used in determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 36 Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

**Level 3:** Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities -

#### 36.1 Fair Value Measurement Hierarchy for Assets as at March 31, 2023 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>1</b>	<b>Financial assets whose fair value approximate their carrying value</b>				
(i)	Trade receivables	3,19,529.00	-	-	3,19,529.00
(ii)	Cash and cash equivalents	8,786.30	-	-	8,786.30
	<b>Total</b>	<b>3,28,315.30</b>	<b>-</b>	<b>-</b>	<b>3,28,315.30</b>

#### 36.2 Fair Value Measurement Hierarchy for Liabilities as at March 31, 2023 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>1</b>	<b>Financial liabilities whose fair value approximate their carrying value</b>				
(i)	Trade payables & Other Payables	2,33,696.01	-	-	2,33,696.01
(ii)	Long-Term Borrowings	1,03,867.97	-	-	1,03,867.97
(iii)	Short-Term Borrowings	55,830.20	-	-	55,830.20
	<b>Total</b>	<b>3,93,394.18</b>	<b>-</b>	<b>-</b>	<b>3,93,394.18</b>

#### 36.3 Fair Value Measurement Hierarchy for Assets as at March 31, 2022 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>1</b>	<b>Financial assets whose fair value approximate their carrying value</b>				
(i)	Trade receivables	1,23,348.57	-	-	1,23,348.57
(ii)	Cash and cash equivalents	1,385.62	-	-	1,385.62
	<b>Total</b>	<b>1,24,734.19</b>	<b>-</b>	<b>-</b>	<b>1,24,734.19</b>



# LWS Knitwear Limited

Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

## 36.4 Fair Value Measurement Hierarchy for Liabilities as at March 31, 2022:

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>1</b>	<b>Financial liabilities whose fair value approximate their carrying value</b>				
(i)	Trade payables & Other Payables	1,58,928.71	-	-	1,58,928.71
(ii)	Long-Term Borrowings	10,954.91	-	-	10,954.91
(iii)	Short-Term Borrowings	39,016.65	-	-	39,016.65
	<b>Total</b>	<b>2,08,900.27</b>	<b>-</b>	<b>-</b>	<b>2,08,900.27</b>

## 37 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise of Trade Payables, Other Payables & Borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade Receivables, Other Receivables and Cash and Bank Balances that derive directly from its operations.

### 37.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

#### 37.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The company is carrying its borrowings primarily at variable rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point Increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates.

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Variable Rate Borrowings	1,03,867.97	10,954.91

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held 'constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

S. No.	Particulars	Effect on Profit before tax	
		As at March 31, 2023	As at March 31, 2022
1	Increase by 50 basis points	(5,193.40)	(547.75)
2	Decrease by 50 basis points	5,193.40	547.75

#### 37.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business in local currency only. The Company does not have foreign currency trade payables and receivables and is therefore, not exposed to foreign exchange risk. The Company need not to use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

#### 37.1.3 Price Risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The company does not have any investments as on 31st March, 2023 & 31st March, 2022.

# LWS Knitwear Limited

## Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### 37.2 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

#### 37.2.1 Trade Receivables

Customer credit risk is managed by each Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable) disclosed. The Management of the Company evaluates the concentration of risk with respect to trade receivables as low, as the management is confident that it will recover full amount from its customers.

### 37.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

S. No.	As at March 31, 2023	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
1	Trade payables & Other Payables	-	1,72,368.25	61,327.76	-	2,33,696.01
2	Long-Term Borrowings	-	-	68,263.44	35,604.53	1,03,867.97
3	Short-Term Borrowings	-	55,830.20	-	-	55,830.20
	<b>Total</b>	-	<b>2,28,198.45</b>	<b>1,29,591.20</b>	<b>35,604.53</b>	<b>3,93,394.18</b>

S. No.	As at March 31, 2022	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
1	Trade payables & Other Payables	-	96,592.47	62,336.24	-	1,58,928.71
2	Long-Term Borrowings	-	-	10,954.91	-	10,954.91
3	Short-Term Borrowings	-	39,016.65	-	-	39,016.65
	<b>Total</b>	-	<b>1,35,609.12</b>	<b>73,291.15</b>	-	<b>2,08,900.27</b>

### 38 Lease

The Company has leased facilities under cancellable and non-cancelled operating lease arrangements with a lease ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognised during the year amounts to Rs. 120.00 Thousands (Previous Year - Rs. 120.00 Thousands).

# LWS Knitwear Limited

## Notes forming part of the Financial Statements

Amount & Figures in Thousands, unless otherwise stated

### 39 Ratio Analysis and its Elements

S. No.	Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change	Reason for variance
1	Current Ratio (times)	Current Assets	Current Liabilities	1.71	1.54	11.19%	--
2	Debt- Equity Ratio (times)	Total Debt	Total Equity	1.48	0.48	210.93%	Refer Note (a)
3	Debt Service Coverage Ratio (times)	Earnings for debt service	Debt service = Interest Payments + Principal Repayments of loans	1.95	4.22	-53.79%	Refer Note (b)
4	Return on Equity Ratio (%)	Earnings available for	Total Equity	2.72	2.48	9.73%	--
5	Inventory Turnover Ratio (times)	Cost of goods sold	Average Inventory	6.72	6.19	8.62%	--
6	Trade Receivable Turnover Ratio (times)	Net credit sales = Gross	Average Trade	2.83	5.46	-48.20%	Refer Note (c)
7	Trade Payable Turnover Ratio (times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.07	3.98	-22.72%	--
8	Net Capital Turnover Ratio (times)	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	3.02	5.58	-45.87%	Refer Note (d)
9	Net Profit Ratio (%)	Net Profit	Net Sales	0.47	0.42	11.23%	--
10	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	5.19	5.31	-2.29%	--
11	Return on Investment (%)	Interest (Finance Income)	Investment	N.A.	N.A.	-	--

\* Ratios variances have been explained for any change by more than 25% as compared to the previous year.

\*\* Return on Investment has not been computed because there are no investments in the company as on 31.03.2023 & 31.03.2022

### Notes to Analytical Ratios -

- The variance in Debt-Equity Ratio is on account of substantial increase in amount of debt during the year. The company has additionally raised secured loans from banks and unsecured loans from directors of the company.
- The variance in Debt Service Coverage Ratio is on account of substantial increase in the debt service during the year as compared to increase in profits during the year.
- The variance in Trade Receivable Turnover Ratio is on account of substantial increase in amount of Trade Receivable during the year.
- The variance in Net Capital Turnover Ratio is on account of substantial increase in amount of Working Capital majorly because of the increased levels of sundry debtors during the year .

### 40 Other Statutory Information

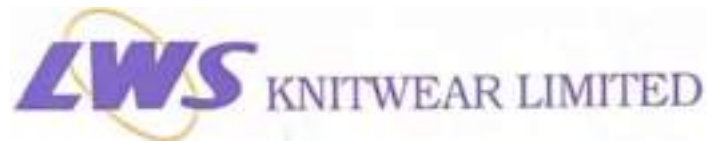
- The company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

## **LWS Knitwear Limited**

### **Notes forming part of the Financial Statements**

#### **Amount & Figures in Thousands, unless otherwise stated**

- 40.6 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 40.6.1 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
- 40.6.2 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 40.7 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any
- 40.8 The Company has not been declared wilful defaulter by any bank and financial institution or government or any government authority.
- 40.9 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- 40.10 The Company has not revalued its property, plant and equipment (including Right to use assets) or intangible assets or both during the current and previous year.
- 40.11 There are no immovable properties in the name of company as on 31.03.2023 and 31.03.2022 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
- 41 Pending Litigations**
- Company is in litigation with Tata Tea Limited for the insurance claim of Rs.1705.79 Thousands which has been rejected by the court of National Commission, New Delhi. Company has filed an appeal with the Hon'ble Supreme Court of India.
- 42 Other Information**
- 42.1 Balances of parties under Trade Payables, Other Current Liabilities, Trade Receivables and Other Current Assets are subject to confirmation.
- 42.2 Previous Year Figures have been regrouped and recasted wherever necessary.



**VENUE OF ANNUAL GENERAL MEETING**

**OF**

**L W S KNITWEAR LIMITED**



30.94626440763838, 75.83069385687682

<https://goo.gl/maps/doU9vNsrsw4YxsP56>



**L W S KNITWEAR LIMITED**

Regd. Office: G T Road (West), Ludhiana, Punjab, 141008

**L17115PB1989PLC009315**

**ATTENDANCE SLIP**

Member's Folio No .....

Client ID No. ....

DP ID No. ....

Name of the Member .....

Name of Proxy holder .....

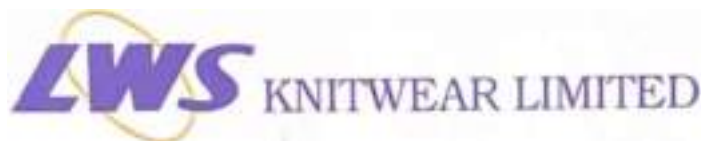
No of shares held .....

I hereby record my presence at the 34th Annual General Meeting of the Company held on Thursday, 28th day of September, 2023 at 09.30 A.M. at # B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab)

\_\_\_\_\_  
Signature of Member/Proxy

**Notes :**

1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.



**L W S KNITWEAR LIMITED**

Regd. Office: G T Road (West), Ludhiana, Punjab, 141008

**L17115PB1989PLC009315**

**PROXY FORM**

Member's Folio No : \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of **L W S KNITWEAR LIMITED**, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 34th Annual General Meeting of the Company held on Thursday, 28th day of September, 2023 at 09.30 A.M. at # B-XXXII-933 Village Bhura, G.T. Road (West), Ludhiana-141008 (Punjab) and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Affix Re. 1/-  
Revenue Stamp  
here

**Note :**

- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself / herself.**
- If it is intended to appoint a proxy, the form of proxy should be deposited at the Registered Office of the Company at least 48 hours before the commencement of meeting.**

No.	Resolution	For	Against
1.	To Receive, Consider And Adopted Audited Financial Statements Along With Reports Of The Board Of Directors And Auditors Thereon For The Financial Year Ended 31st March, 2023. (Ordinary Resolution)		
2.	To Appoint A Director In Place Of Mr. Girish Kapoor (Din-01870917), Who Retires By Rotation And Being Eligible, Offers Himself For Reappointment. (Ordinary Resolution).		
3.	Appointment Of M/S. Parmod G Gupta & Associates, Chartered Accountants. (Ordinary Resolution).		
4.	Revision In Overall Borrowing Powers Of The Company (Special Resolution)		
5.	Change In The Limits Of Section 180 (1) (A) And Creation Of Mortgage / Charge On The Assets Of The Company (Special Resolution)		
6.	Increase In Authorised Capital Of The Company (Special Resolution)		
7.	Amendment In Object Clause Of The Company (Special Resolution)		
8.	Adoption Of New Articles Of Association (Special Resolution)		
9.	Appointment/Re-Appointment Of Managing Director And Fixing Remuneration Payable To Him (Special Resolution)		
10.	Regularisation Of Appointment Of Mr. Ashwani Kumar Sharma As An Independent Director (Ordinary Resolution)		

**NOTES:**

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## **L W S KNITWEAR LIMITED**

*Registered Office-G T Road (West), Ludhiana, Punjab, 141008*

*CIN-L17115PB1989PLC009315,*

*Email- [info@lwsknitwear.com](mailto:info@lwsknitwear.com), [lwsknitwear@gmail.com](mailto:lwsknitwear@gmail.com)*

*website- [www.lwsknitwear.com](http://www.lwsknitwear.com), Tele- 0161-2744500*