Kalanikethan Silks Limited

(formerly known as Kalanikethan Silks Private Limited)

Financial Statements

2022-23

INDEPENDENT AUDITOR'S REPORT

To The Members of Kalanikethan Silks Limited (formerly known as Kalanikethan Silks Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kalanikethan Silks Limited (formerly known as Kalanikethan Silks Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, notes to the financial statements, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Director's report but does not include the financial statements and our auditor's report thereon.

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

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 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.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) 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 and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 performed 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. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

   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 w.e.f. 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 31st March 2023.

2. 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
(UDIN: 23103999BGXJDB5658)

Panaji, Goa, 15th April 2023

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 of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kalanikethan Silks Limited (formerly known as Kalanikethan Silks Private Limited) ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 ('Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm‵s Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
(UDIN: 23103999BGXJDB5658)

Panaji, Goa, 15th April 2023

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 of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. As the Company does not hold any intangible assets, reporting under clause 3(i)(a) B of the Order is not applicable.

(b) Some of the property, plant and equipment and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment including right of use assets during the year. The Company does not have any intangible assets.

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

(ii) (a) The Company bought and sold inventories during the year in the normal course of business. The Company held such inventories for a short duration of time prior to their sales and hence, physical verification was not necessitated during such short duration of time. The Company did not have inventories as on the balance sheet date.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) (a) During the year, the Company has not made investments in, provided guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted loans or advances in the nature of unsecured loans to its fellow subsidiary.

A) The aggregate amount of unsecured loans given during the year was Rs. 3,500 lakhs and the balance outstanding at the balance sheet date was Rs. Nil.

B) The Company has not provided loans or advances in the nature of loans or given guarantee or provided security to parties other than as mentioned above during the year, and hence reporting under clause 3(iii)(a)(B) of the Order is not applicable.

(b) In our opinion, the terms and conditions of the grant of unsecured loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipts of interest were regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) The amount of loan granted by the Company has been fully received during the year. Hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loan either repayable on demand or without specifying any term or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

(iv) The Company has not granted loans or provided guarantees or securities to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of loans granted to the parties covered under Section 186 of the Act. The Company has not made any investments, provided guarantee or security to any party during the year.

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

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Professional Tax dues.

There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, cess and other material statutory dues in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

Provident Fund, Employees' State Insurance, Sales tax, Service tax, duty of Excise, duty of Custom and Value Added Tax are not applicable to the Company. Hence the reporting under clause 3(vii)(a) of the Order, with respect to these statutory dues, is not applicable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31st March 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)(a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a)To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion, requirements related to of internal audit system under section 138 of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3(xiv) of the Order is not applicable.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any cash losses during the financial year covered by our audit but had incurred cash losses amounting to Rs. 2,667 lakhs in the immediately preceding financial year.

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

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated (refer Note B.1 to the financial statements) indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
(UDIN: 23103999BGXJDB5658)

Panaji, Goa, 15th April 2023

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Balance Sheet as at 31st March, 2023

₹ in lakhs

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	1	2,838.65	4,260.19
Capital Work-in-Progress	1	-	146.90
Financial Assets			
Other Financial Assets	2	190.82	293.49
Other Non- Current Assets	3	203.83	15.21
Total Non-Current Assets		3,233.30	4,715.79
Current Assets			
Inventories	4	-	5,406.12
Financial Assets			
Investments	5	-	3,347.53
Trade Receivables	6	1,194.45	260.48
Cash and Cash Equivalents	7	6.52	225.25
Other Financial Assets	8	136.83	244.12
Other Current Assets	9	19.77	92.31
Total Current Assets		1,357.57	9,575.81
Total Assets		4,590.87	14,291.60
Equity and Liabilities			
Equity			
Equity Share Capital	10	1,600.00	1,600.00
Other Equity	11	717.70	5,222.98
Total Equity		2,317.70	6,822.98
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		1,165.12	2,025.05
Total Non-Current Liabilities		1,165.12	2,025.05
Current Liabilities			
Financial Liabilities			
Borrowings	12	-	1,800.00
Lease Liabilities		579.24	707.11
Trade Payables	13		
i) total outstanding dues of micro enterprises and small enterprises; and		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		231.70	1,691.81
Other Financial Liabilities	14	23.70	141.70
Other Current Liabilities	15	271.28	1,102.79
Provisions	16	2.13	0.16
Total Current Liabilities		1,108.05	5,443.57
Total Liabilities		2,273.17	7,468.62
Total Equity and Liabilities		4,590.87	14,291.60
Significant Accounting Policies	A - B		
See accompanying notes to the financial statements	1 to 33		

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)

As per our Report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Date : 15th April, 2023

For and on behalf of the Board

Nagabhushanam Vemuluri
Managing Director
DIN: 01553113

Rakesh Sharma
Director
DIN: 09416935

Akhilesh Prasad
Director
DIN: 01757265

Sameer Agrawal
Chief Financial Officer

Shivani Sharma
Company Secretary

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Statement of Profit and Loss for the year ended 31st March, 2023

Particulars	Note No.	2022-23	₹ in lakhs 2021-22
Income			
Value of Sales		**11,783.76**	10,943.87
Income from Services		**2,006.14**	-
Value of Sales & Services (Revenue)		**13,789.90**	10,943.87
Less: GST Recovered		**977.77**	605.80
Revenue from Operations	**17**	**12,812.13**	10,338.07
Other Income	**18**	**356.75**	333.38
Total Income		**13,168.88**	10,671.45
Expenses			
Purchases of Stock-in-Trade		**5,072.24**	8,693.28
Changes in Inventories of Stock-in-Trade	**19**	**5,406.12**	1,216.69
Employee Benefits Expense	**20**	**362.87**	890.58
Finance Costs	**21**	**228.16**	1,106.79
Depreciation Expenses	**1**	**1,336.99**	1,411.41
Other Expenses	**22**	**895.67**	1,431.42
Total Expenses		**13,302.05**	14,750.17
Loss Before Tax		**(133.17)**	(4,078.72)
Tax Expenses:			
Current Tax	**23**	**-**	9.50
Deferred Tax	**23**	**-**	(14.18)
Tax expense of Earlier Years	**23**	**7.40**	149.67
Total Tax Expense		**7.40**	144.99
Loss for the year		**(140.57)**	(4,223.71)
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Statement of Profit or Loss	**18.1**	**0.29**	19.73
(ii) Income tax relating to items that will not be reclassified to Statement of Profit or Loss		**-**	-
(iii) Items that will be reclassified to Statement of Profit or Loss		**-**	-
(iv) Income tax relating to items that will be reclassified to Statement of Profit or Loss		**-**	-
Total Other Comprehensive Income for the year (Net of Tax)		**0.29**	19.73
Total Comprehensive Loss for the year		**(140.28)**	(4,203.98)
Earnings per Equity share of face value of ₹ 10 each			
Basic (in ₹)	**24**	**(0.88)**	(26.40)
Diluted (in ₹)	**24**	**(0.06)**	(5.35)
Significant Accounting Policies	**A - B**		
See accompanying notes to the financial statements	**1 to 33**		

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)

As per our Report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Varsha A. Fadte
Partner
Membership No. 103999

Date : 15th April, 2023

For and on behalf of the Board

Nagabhushanam Vemuluri
Managing Director
DIN: 01553113

Rakesh Sharma
Director
DIN: 09416935

Akhilesh Prasad
Director
DIN: 01757265

Sameer Agrawal
Chief Financial Officer

Shivani Sharma
Company Secretary

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Statement of Changes in Equity for the year ended 31st March, 2023

A Equity Share Capital

₹ in lakhs

Balance as at 1st April, 2021	Changes during the year 2021-22	Balance as at 31st March, 2022	Changes during the year 2022-23	Balance as at 31st March, 2023
1,600.00	-	1,600.00	-	1,600.00

B Other Equity

₹ in lakhs

Particulars	Instrument classified as equity	Reserves & Surplus	Other Comprehensive Income	Total
	Zero Coupon Optionally Fully Convertible Debentures of ₹ 100 each	Retained Earnings		
Balance as at 1st April, 2022	20,165.00	(15,003.15)	61.13	5,222.98
Less: Redeemed during the year	(4,365.00)	-	-	(4,365.00)
Add: (Loss) / Income for the Year	-	(140.57)	0.29	(140.28)
Balance as at 31st March, 2023	**15,800.00**	**(15,143.72)**	**61.42**	**717.70**
Balance as at 1st April, 2021	-	(10,779.44)	41.40	(10,738.04)
Add: Issued during the year	20,165.00	-	-	20,165.00
Add: (Loss) / Income for the Year	-	(4,223.71)	19.73	(4,203.98)
Balance as at 31st March, 2022	**20,165.00**	**(15,003.15)**	**61.13**	**5,222.98**

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)

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Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Cash Flow Statement for the year ended 31st March, 2023

₹ in lakhs

	2022-23	2021-22
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax as per Statement of Profit and Loss	**(133.17)**	(4,078.72)
Adjusted for:		
Profit on sale of Property, Plant and Equipment (net)	**(75.51)**	(3.39)
Depreciation Expenses	**1,336.99**	1,411.41
Interest Income	**(101.07)**	(5.76)
Net Gain on Financial Assets	**(39.03)**	(47.88)
Lease Concessions	**-**	(188.65)
Notional Gain on ROU Asset Disposal	**(70.07)**	-
Finance Costs	**228.16**	1,106.79
Subtotal	**1,279.47**	2,272.51
Operating Profit / (Loss) before Working Capital Changes	**1,146.30**	(1,806.21)
Adjusted for:		
Trade and Other Receivables	**(575.95)**	834.62
Inventories	**5,406.12**	1,216.69
Trade and Other Payables	**(2,392.16)**	(7,278.35)
Subtotal	**2,438.01**	(5,227.04)
Cash Generated from / (Used in) Operations	**3,584.31**	(7,033.25)
Taxes Paid (Net)	**(211.23)**	(366.15)
Net Cash flow Generated from / (Used in) Operating Activities	**3,373.08**	(7,399.40)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	**(2.20)**	(235.79)
Proceeds from disposal of Property, Plant and Equipment	**-**	99.83
Purchase of Financial Instruments	**(3,899.81)**	(7,049.65)
Proceeds from Sale of Financial Instruments	**7,286.36**	3,750.00
Interest Income	**101.07**	5.76
Net Cash Flow Generated from / (Used in) Investing Activities	**3,485.42**	(3,429.85)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Optionally Fully Convertible Debentures	**-**	20,165.00
Repayment of Optionally Fully Convertible Debentures	**(4,365.00)**	-
Proceeds from Borrowings - Non Current	**-**	387.00
Repayment of Borrowings - Non Current	**(1,800.00)**	(4,209.51)
Payment of Lease Liabilities	**(884.24)**	(762.95)
Borrowings Current (Net)	**-**	(3,740.28)
Interest Paid	**(27.99)**	(984.32)
Net Cash Flow (Used in) / Generated from Financing Activities	**(7,077.23)**	10,854.94
Net (Decrease) / Increase in Cash and Cash Equivalents	**(218.73)**	25.70
Opening Balance of Cash and Cash Equivalents	**225.25**	199.55
Closing Balance of Cash and Cash Equivalents (refer note 7)	**6.52**	225.25

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)

As per our Report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Varsha A. Fadte
Partner
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Date : 15th April, 2023

For and on behalf of the Board

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Company Secretary

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

A. Company Overview

Kalanikethan Silks Limited (formerly known as Kalanikethan Silks Private Limited) (the 'Company') (CIN: U18101TG2005PLC046575) was incorporated on 17th June, 2005 as a private limited company under the Companies Act, 1956 ('the Act'). On 11th August 2022, the Company was converted into a public limited company. The Company is engaged in the business of distribution, marketing and retail trading of women apparels. It has also started providing business support services for its apparels business.

The Company's Immediate holding company is Reliance Retail Ventures Limited (RRVL) with 100% shareholding and Ultimate holding company is Reliance Industries Limited.

B. Statement of Compliance

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, read together with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Company Affairs from time to time.

B.1 Going Concern

During the current year, the Company has reported net loss after tax of ₹ 140.57 lakhs and has an accumulated loss of ₹ 15,082.29 lakhs. Further, the Company reported a net cash outflow of ₹ 218.73 lakhs and the net worth has reduced by ₹ 4,505.28 lakhs. However, its current assets exceeds current liabilities by ₹ 249.52 lakhs as at 31st March, 2023.

Based on management plans and having consideration to the forecasts for the future periods, the management is confident of generating operating profits in the foreseeable future. Accordingly, these financial statements, do not include any adjustments, if any, relating to recoverability and classification of assets or / and liabilities that may be necessary if the Company was unable to continue as a going concern.

B.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair values:

i) Certain financial assets and liabilities,
ii) Defined benefit plans – plan assets and liabilities

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

The Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency and all values are rounded to the nearest lakhs (₹ 00,000) except when otherwise stated.

B.3 Current/ non-current classification

All assets and liabilities are classified into current and non-current

An asset is classified as current when it satisfies any of the following criteria:

- 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 a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is 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.

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle
Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained 12 months as its operating cycle.

B.4 Inventories
Inventories are valued on a specific identification, at the lower of cost and net realisable value. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The comparison of cost and net realisable value of inventory is made on an item by item basis. Necessary adjustments/ provisions are made in respect of non-moving, slow moving and damaged items of inventory.

B.5 Revenue recognition
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment /delivery of goods to the customer. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding goods and services tax, shipping charges, cash on delivery charges and trade and quantity discounts. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Interest Income from a financial asset is recognised using effective interest rate method.

Rental income is recognised on the basis of contractual agreement entered with the respective parties.

B.6 Property, plant and equipment and intangible assets
Property, Plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, and any cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Capital work-in-progress includes the cost of the property, plant and equipment that are not yet ready for their intended use at the Balance Sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet are shown as capital advances under other non-current assets.

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

Depreciation and amortisation

Depreciation is provided on the straight-line method over the useful lives of assets estimated by the Company. The Company estimates the useful lives for property, plant and equipment as follows:

Asset classification	Estimated useful life
Computer equipments	3 years
Office equipments	15 years
Furniture and fixtures	15 years
Vehicles	8 years

*Based on internal assessment and technical evaluation carried out, the management believes that the useful life as given above best represents the period over which management expects to use these assets. Hence, the useful lives of these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold improvements are amortised over the primary period of the lease or the useful life of assets, whichever is shorter. Any subsequent additions to leasehold improvements are amortised over remaining period of the primary lease term or useful life of assets, whichever is shorter.

Depreciation is charged on a proportionate basis for all assets purchased/sold during the year.

Depreciation for the year is recognised in the Statement of Profit and Loss. Assets are eliminated from the financial statements on disposal or when no further benefit is expected from their use and disposal. Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Intangible assets in the nature of licensed software are amortized over 3 years from the month of purchase. Software upgrades and enhancements, where no substantial additional functionality is added, are charged off to the Statement of Profit and Loss.

B.7 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

B.8 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to a Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.
Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.
The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

B.9 Income taxes

The tax expenses for the year comprises of current tax and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income, in which case, the tax is also recognised in Other Comprehensive Income.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

B.10 Leases

As Lessor

Assets given by the Company under operating lease are included in property, plant and equipment. Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses.

As Lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.
The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

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

B.11 Earnings per share

Basic:

The number of equity shares used in computing basic earnings per share (EPS) is the weighted average number of shares outstanding during the year.

Diluted:

Diluted EPS amounts are calculated by dividing the profit / loss attributable to equity shareholders of the Company (after adjusting for interest on optionally fully convertible debentures, if any) 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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

B.12 Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

B.13 Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

B.14 Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation (legal and constructive), as a result of an obligating event that probably will require an outflow of resources to settle the obligation, and in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. A disclosure of a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

B.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B.16 Cash flow statement

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

B.17 Financial instruments

i. Financial assets

A. Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets measured at Amortised Cost (AC)

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

b) Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

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

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

c) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)
A financial asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

C. Impairment of financial assets
In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).
Expected Credit Losses are measured through a loss allowance at an amount equal to:
- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.
The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.
For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii. Financial liabilities
A. Initial recognition and measurement
All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement
Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition of financial instruments
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv. Offsetting
Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

B.18 Critical accounting judgements and key sources of estimation uncertainty
The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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 next financial years.

Kalanikethan Silks Limited
(Formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

(A) Property, plant and equipment and intangible assets
Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, plant and equipment and intangible assets are depreciated and amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation and amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates

(B) Recoverability of trade receivables
Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(C) Provisions
The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(D) Impairment of financial and non-financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.
In case of non-financial assets, Company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.
In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

B.19 Standards issued but not effective:
On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.

i. Ind AS 107 – Financial Instruments Disclosures
ii. Ind AS 109 – Financial Instruments
iii. Ind AS 115 – Revenue from Contracts with Customers
iv. Ind AS 1 – Presentation of Financial Statements
v. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
vi. Ind AS 12 – Income Taxes
vii. Ind AS 34 – Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

1 Property, Plant and Equipment

₹ in lakhs

Description	Gross block				Depreciation				Net block	
	As at 1st April, 2022	Additions/ Adjustments	Deductions/ Adjustments	**As at 31st March, 2023**	As at 1st April, 2022	For the year	Deductions/ Adjustments	**Upto 31st March, 2023**	**As at 31st March, 2023**	As at 31st March, 2022
Property, Plant and Equipment										
Own Assets:										
Computer Equipments	6.33	-	-	**6.33**	1.64	1.41	-	**3.05**	**3.28**	4.69
Office Equipment	416.00	14.62	-	**430.62**	108.28	99.96	-	**208.24**	**222.38**	307.72
Furniture and Fixtures	1,919.75	134.49	-	**2,054.24**	497.98	504.52	-	**1,002.50**	**1,051.74**	1,421.77
Vehicles	164.19	-	-	**164.19**	51.02	22.25	-	**73.27**	**90.92**	113.17
Leasehold Improvements	340.89	-	-	**340.89**	340.89	-	-	**340.89**	**-**	-
Sub-Total	**2,847.16**	**149.11**	**-**	**2,996.27**	**999.81**	**628.14**	**-**	**1,627.95**	**1,368.32**	1,847.35
Right-of-Use Assets										
Leasehold Premises	3,820.39	193.48	920.11	**3,093.76**	1,407.55	708.85	492.97	**1,623.43**	**1,470.33**	2,412.84
Sub-Total	**3,820.39**	**193.48**	**920.11**	**3,093.76**	**1,407.55**	**708.85**	**492.97**	**1,623.43**	**1,470.33**	2,412.84
Total	**6,667.55**	**342.59**	**920.11**	**6,090.03**	**2,407.36**	**1,336.99**	**492.97**	**3,251.38**	**2,838.65**	4,260.19
Previous Year	6,689.10	240.41	261.96	6,667.55	1,209.61	1,411.41	213.66	2,407.36	4,260.19	5,479.49
Capital Work-in-Progress (CWIP) (Refer Note 1.1)									**-**	146.90

1.1 Capital Work-in-Progress Ageing :

a) Ageing Schedule as at 31st March, 2023

₹ in lakhs

Particulars	**<1 Year**	**1-2 Years**	**2-3 Years**	**>3 Years**	**Total**
Capital Work-in-Progress					
Projects in process	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

b) Ageing Schedule as at 31st March, 2022

₹ in lakhs

Particulars	**<1 Year**	**1-2 Years**	**2-3 Years**	**>3 Years**	**Total**
Capital Work-in-Progress					
Projects in process	12.08	134.82	-	-	146.90
Projects temporarily suspended	-	-	-	-	-
Total	12.08	134.82	-	-	146.90

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			₹ in lakhs
		As at	As at
2	**Others Financial Assets - Non Current**	**31st March, 2023**	31st March 2022
	(Unsecured and Considered Good)		
	Deposits	**190.82**	293.49
	Total	**190.82**	293.49

			₹ in lakhs
3	**Other Non- Current Assets**	**As at**	As at
	(Unsecured and Considered Good)	**31st March, 2023**	31st March, 2022
	Advance Income Tax (Net of Provision)	**203.83**	15.21
	Total	**203.83**	15.21

			₹ in lakhs
3.1	**Advance Income Tax (Net of Provision)**	**As at**	As at
		31st March, 2023	31st March, 2022
	At the beginning of the year	**15.21**	(191.77)
	Charge for the year	**(7.40)**	(159.17)
	Tax deducted at source / paid during the year	**196.02**	366.15
	At the end of the year	**203.83**	15.21

			₹ in lakhs
4	**Inventories**	**As at**	As at
	(Valued at lower of cost and net realisable value)	**31st March, 2023**	31st March, 2022
	Stock-in-Trade	**-**	5,406.12
	Total	**-**	5,406.12

			₹ in lakhs
5	**Current Investments**	**As at**	As at
		31st March, 2023	31st March, 2022
	Investments Measured at Fair Value Through Profit and Loss (FVTPL) *		
	Investment in Mutual Funds -In Units - Unquoted	**-**	3,347.53
	Total Investments-Current	**-**	3,347.53
	Aggregate Value of Unquoted Investments	**-**	3,347.53
	* Refer Note 27		
5.1	**Category-wise - Current investments**		
	Financial assets measured at Fair value through Profit and Loss	**-**	3,347.53
	Total Current investments	**-**	3,347.53

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₹ in lakhs

6	**Trade Receivables** *(Unsecured and Considered Good)*	**As at 31st March, 2023**	As at 31st March, 2022
	Trade receivables*	**1,194.45**	260.48
	Total	**1,194.45**	260.48

*Refer Note 28

6.1 **Trade Receivables ageing**

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment*					
		< 6 Months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
As at 31st March, 2023							
(i) Undisputed Trade receivables considered good	1,194.45	-	-	-	-	-	**1,194.45**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
Total	**1,194.45**	**-**	**-**	**-**	**-**	**-**	**1,194.45**

Particulars	Not Due	Outstanding for following periods from due date of payment *					
		< 6 Months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
As at 31st March, 2022							
(i) Undisputed Trade receivables considered good	24.15	7.75	135.31	93.27	-	-	260.48
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
Total	**24.15**	**7.75**	**135.31**	**93.27**	**-**	**-**	**260.48**

* Net of Provision

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₹ in lakhs

7	**Cash and Cash Equivalents**	**As at 31st March, 2023**	As at 31st March, 2022
	Cash on Hand	**-**	11.63
	Balances with banks	**6.52**	213.62
	Cash and Cash Equivalents as per Balance Sheet	**6.52**	225.25
	Cash and Cash Equivalents as per Cash Flow Statement	**6.52**	225.25

₹ in lakhs

8	**Other Financial Assets – Current** *(Unsecured and Considered Good)*	**As at 31st March, 2023**	As at 31st March, 2022
	Deposits	**136.83**	244.12
	Total	**136.83**	244.12

₹ in lakhs

9	**Other Current Assets** *(Unsecured and Considered Good)*	**As at 31st March, 2023**	As at 31st March, 2022
	Balance with GST and State Authorities	**-**	91.37
	Others [(i)]		
	- Considered good	**19.77**	0.94
	- Considered doubtful	**-**	1,054.78
	Less: Provision for doubful advances	**-**	(1,054.78)
	Total	**19.77**	92.31

[(i)] Includes advances to vendors and employees and prepaid expenses

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₹ in lakhs

10	**Equity Share Capital**	**As at 31st March, 2023**	As at 31st March, 2022
	Authorised:		
	2,00,00,000 Equity Shares of ₹ 10 each	**2,000.00**	2,000.00
	Total	**2,000.00**	2,000.00
	Issued, Subscribed and Fully Paid-Up:		
	1,60,00,000 Equity Shares of ₹ 10 each	**1,600.00**	1,600.00
	Total	**1,600.00**	1,600.00

10.1 Out of the above, 100% equity shares of ₹ 10 each fully paid-up are held by Reliance Retail Ventures Limited, the Holding Company along with its nominee(s).

10.2 **The details of Shareholders holding more than 5% shares :**

	As at 31st March, 2023		As at 31st March, 2022	
Name of the Shareholder	**No. of Shares**	**% held**	No. of Shares	% held
Reliance Retail Ventures Limited	**1,60,00,000**	**100.00%**	1,60,00,000	100.00%

10.3 **Shareholding of Promoter**

As at 31st March, 2023

S. No.	**Class of Equity share**	**Promoter's name**	**No. of shares at the beginning of the year**	**change during the year**	**No. of shares at the end of the year**	**% of total shares**	**% of change during the year**
1	Fully paid-up equity shares of ₹10 each	Reliance Retail Ventures Limited	**1,60,00,000**	**-**	**1,60,00,000**	**100.00%**	**-**
	Total		**1,60,00,000**	**-**	**1,60,00,000**		

As at 31st March, 2022

S. No.	**Class of Equity share**	**Promoter's name**	**No. of shares at the beginning of the year**	**change during the year**	**No. of shares at the end of the year**	**% of total shares**	**% change during the year**
1	Fully paid-up equity shares of ₹10 each	Reliance Retail Ventures Limited	-	1,60,00,000	1,60,00,000	100.00%	100.00%
2	Fully paid-up equity shares of ₹10 each	Nagabhushanam Vemuluri	1,58,88,500	(1,58,88,500)	-	0.00%	-100.00%
3	Fully paid-up equity shares of ₹10 each	Suvarchala Vemuluri	1,11,500	(1,11,500)	-	0.00%	-100.00%
	Total		1,60,00,000	-	1,60,00,000		

10.4 **The Reconciliation of the number of shares outstanding is set out below :**

Particulars	**As at 31st March, 2023 No. of shares**	As at 31st March, 2022 No. of shares
Equity Shares outstanding at the beginning of the year	**1,60,00,000**	1,60,00,000
Add: Equity Shares issued during the year	**-**	-
Equity Shares outstanding at the end of the year	**1,60,00,000**	1,60,00,000

10.5 **Rights, preferences and restrictions attached to Shares:**

The Company has only one class of equity shares having face value of ₹ 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

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₹ in lakhs

11 Other Equity	As at 31st March, 2023	As at 31st March, 2022
Instruments Classified as Equity		
Zero Coupon Optionally Fully Convertible Debentures of Rs.100 each - Opening Balance	**20,165.00**	-
Add: Issued during the year	-	20,165.00
Less: Redeemed during the year	**(4,365.00)**	-
	15,800.00	20,165.00
Total Instrument Classified as Equity	**15,800.00**	20,165.00
Retained Earnings		
As per last Balance Sheet	**(15,003.15)**	(10,779.44)
Add: Loss for the year	**(140.57)**	(4,223.71)
	(15,143.72)	(15,003.15)
Other Comprehensive Income		
As per last Balance Sheet	**61.13**	41.40
Add: Movement in OCI (Net) during the year	**0.29**	19.73
	61.42	61.13
Total	**717.70**	5,222.98

11.1 **Details of Optionally Fully Convertible Debentures of Rs.100 each (herein referred to as "OFCD")**

Name of the Debenture Holder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Debentures	% Held	No. of Debentures	% Held
Reliance Retail Ventures Limited (Holding Company)	**1,58,00,000**	**100.00%**	2,01,65,000	100.00%

Terms of Optionally Fully Convertible Debentures (OFCD)

Both the Company and OFCD holder have an option of early conversion at any time after allotment of the OFCDs by giving one-month notice.
Both the Company and the OFCD holder have an option to convert each OFCD into 10 equity shares of Rs. 10 each.
The Equity Shares arising out of conversion of the OFCDs will rank pari-passu in all respects with the then outstanding Equity Shares of the Company on the date of such conversion, except for dividend, which if declared, shall be paid on pro-rata basis from the date of allotment of such Equity Shares.

Variation in Terms of Optionally Fully Convertible Debentures

During the year ended 31st March, 2023, the Company has changed its terms related to interest portion whereby the OFCDs do not carry any interest rate. Further, OFCD's will not be listed on any stock exchange in India and the OFCDs being unsecured, no security shall be created against them.

Rights, Preferences and Restrictions attached to Optionally Fully Convertible Debentures

The Company has one class of Debentures i.e. OFCD of Rs. 100/- per debenture.
The OFCDs shall be transferrable, subject to the provisions of the Act, the Memorandum and Articles of Association of the Company and any other statutory provisions, rules, directions as may be applicable to the Company, transferor and transferee concerned, by a separate instrument of transfer.
Members in the Company will be allowed to apply for additional subscriptions to OFCDs over and above their rights entitlement.

Redemption of Optionally Fully Convertible Debentures

The tenure for each OFCD is 10 (ten) years from the date of its allotment. OFCDs may be redeemed at any time earlier than 10 (ten) years (at any time after expiry of 30 days from the date of allotment of the OFCDs) at the option of the Company.

11.1 **The reconciliation of the number of Optionally Fully Convertible Debentures (OFCD) outstanding is set out below :**

	As at 31st March, 2023 No. of Debentures	As at 31st March, 2022 No. of Debentures
OFCD at the beginning of the year	**2,01,65,000**	-
Add: Issued during the year	-	2,01,65,000
Less: Redeemed during the year	**(43,65,000)**	-
OFCD Outstanding at the end of year	**1,58,00,000**	2,01,65,000

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₹ in lakhs

12	**Borrowings - Current**	**As at 31st March, 2023**	As at 31st March, 2022
	Unsecured - At amortised Cost		
	Loans from related party[(i)]	**-**	1,800.00
	Total	**-**	1,800.00

[(i)] Refer note 28 for related party transaction.
12.1 Refer note 27 for maturity profile.

₹ in lakhs

13	**Trade payables**	**As at 31st March, 2023**	As at 31st March, 2022
	i) total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**231.70**	1,691.81
	Total	**231.70**	1,691.81

13.1 **Trade Payables Ageing**

Particulars	**Not Due**	**Outstanding for following periods from due date of payment**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**> 3 years**	
As at 31st December, 2022:						
(i) MSME	-	-	-	-	-	-
(ii) Others	231.70	-	-	-	-	**231.70**
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	**231.70**	-	-	-	-	**231.70**

Particulars	**Not Due**	**Outstanding for following periods from due date of payment**				**Total**
		Less than 1 year	**1-2 years**	**2-3 years**	**> 3 years**	
As at 31st March, 2022:						
(i) MSME	-	-	-	-	-	-
(ii) Others	754.32	913.25	16.20	7.97	0.07	1,691.81
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	**754.32**	**913.25**	**16.20**	**7.97**	**0.07**	**1,691.81**

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₹ in lakhs

14	Other Financial Liabilities-Current	As at 31st March, 2023	As at 31st March, 2022
	Others[(i)]	**23.70**	141.70
	Total	**23.70**	141.70

[(i)] Includes security deposits received

₹ in lakhs

15	Other Current Liabilities	As at 31st March, 2023	As at 31st March, 2022
	Advance from customers	**0.31**	1,035.55
	Statutory dues	**195.97**	11.11
	Due to employees	**75.00**	56.13
	Total	**271.28**	1,102.79

₹ in lakhs

16	Provisions - Current	As at 31st March, 2023	As at 31st March, 2022
	Provision for employee benefits (Refer Note 20.1)[(i)]	**2.13**	0.16
	Total	**2.13**	0.16

[(i)] Provision for employee benefits comprises provision for gratuity.

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₹ in lakhs

17	**Revenue from Operations**	**2022-23**	2021-22
	Value of Sales	**11,112.02**	10,338.07
	Income from Services	**1,700.11**	-
	Total *	**12,812.13**	10,338.07
	* Net of GST		

₹ in lakhs

18	**Other Income**	**2022-23**	2021-22
	Interest (at amortised cost)		
	Bank deposits	**1.62**	5.76
	Inter corporate deposits	**99.45**	-
		101.07	5.76
	Gain / (Loss) on Financial Assets (at FVTPL)		
	Realised gain	**71.46**	15.45
	Unrealised gain / (loss)	**(32.43)**	32.43
		39.03	47.88
	Profit on sale of freehold land	**75.51**	52.43
	Other Non-Operating Income	**141.14**	227.31
		216.65	279.74
	Total	**356.75**	333.38

Other Non-Operating Income for the year comprises rent received from franchises and credit balances written back and in the previous year includes lease concessions and rent received from franchises.

		2022-23	2021-22
18.1	**Other Comprehensive Income - Items that will not be reclassified to Profit and loss**		
	Remeasurement of Defined Benefits Plan	**0.29**	19.73
	Total	**0.29**	19.73

₹ in lakhs

19	**Changes in Inventories of Stock-in-Trade**	**2022-23**	2021-22
	Inventories (at close)		
	Stock-in-Trade	**-**	5,406.12
	Inventories (at commencement)		
	Stock-in-Trade	**5,406.12**	6,622.81
	Total	**5,406.12**	1,216.69

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		2022-23	2021-22
20	**Employee Benefits Expense**	**2022-23**	2021-22
	Salaries and Wages	**359.21**	839.26
	Contribution to Provident and Other Funds	**2.33**	31.08
	Staff Welfare Expenses	**1.33**	20.24
	Total	**362.87**	890.58

20.1 As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expenses for the year is as under:

Particulars	**2022-23**	2021-22
Employer’s Contribution to Provident Fund	**1.33**	19.66

Defined Benefit Plans

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

	Gratuity (unfunded)	
Particulars	**2022-23**	2021-22
Defined Benefit Obligation at beginning of the year	**0.16**	298.99
Current Service Cost	**2.23**	0.09
Interest Cost	**0.02**	20.76
Actuarial (Gain)/ Loss	**(0.29)**	(19.73)
Benefits Paid	**-**	(299.95)
Defined Benefit Obligation at year end	**2.12**	0.16

II. Reconciliation of Fair Value of Assets and Obligations -

	Gratuity (unfunded)	
Particulars	**As at 31st March, 2023**	As at 31st March, 2022
Fair Value of Plan Assets	**-**	-
Present Value of Obligation	**2.12**	0.16
Amount recognised in Balance Sheet (Deficit)	**(2.12)**	(0.16)

III. Expenses recognised during the year -

	Gratuity (unfunded)	
Particulars	**2022-23**	2021-22
In Income Statement		
Current Service Cost	**2.23**	0.09
Interest Cost	**0.02**	20.76
Net Cost	**2.25**	20.85
In Other Comprehensive income		
Actuarial (Gain)/ Loss	**(0.29)**	(19.73)
Net (Income)/ Expense for the year recognised in OCI	**(0.29)**	(19.73)

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IV. Actuarial Assumptions

Particulars	Gratuity (unfunded)	
	As at 31st March, 2023	As at 31st March, 2022
Mortality Table (IALM)	**2012-14 (Ultimate)**	2012-14 (Ultimate)
Discount Rate (per annum)	**7.60%**	7.09%
Rate of Escalation in Salary (per annum)	**6.00%**	6.00%
Rate of employee turnover (per annum)	**2.00%**	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by actuary.

V. The expected contributions for Defined Benefit Plan for the next financial year will be Nil since scheme is managed on unfunded basis.
These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the employee turnover of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan`s liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan`s liability.

VI. Sensitivity Analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**As at 31st March, 2023 Decrease**	**As at 31st March, 2023 Increase**	As at 31st March, 2022 Decrease	As at 31st March, 2022 Increase
change in rate of discounting (delta effect +/- 0.5%)	0.04	(0.04)	0.02	(0.02)
change in rate of salary increase (delta effect +/- 0.5%)	(0.04)	0.04	(0.02)	0.02
change in rate of employee turnover (delta effect +/- 0.5%)	0.05	(0.05)	0.00	(0.00)

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			₹ in lakhs
21	**Finance Costs**	**2022-23**	2021-22
	Interest on borrowings	**27.99**	849.78
	Interest on lease liabilities	**200.17**	257.01
	Total	**228.16**	1,106.79

			₹ in lakhs
22	**Other Expenses**	**2022-23**	2021-22
	Selling and Distribution Expenses		
	Sales Promotion and Advertisement Expenses	**4.63**	265.84
	Contract Labour	**-**	204.26
	Brokerage, Royalty and Commission	**6.40**	52.29
		11.03	522.39
	Establishment Expenses		
	Stores and Packing Materials	**0.37**	42.32
	Repairs and Maintenance	**5.52**	130.39
	Rent including Lease Rentals	**222.75**	29.50
	Insurance	**0.76**	16.08
	Rates and Taxes	**15.10**	88.68
	Travelling and Conveyance Expenses	**15.82**	43.14
	Payment to Auditors	**11.00**	10.00
	Professional Fees	**60.10**	115.19
	Loss on Sale/ Discarding of property plant and equipment	**-**	49.04
	Electricity Expenses	**349.15**	275.05
	Provision for doubtful debts	**174.25**	-
	General Expenses	**29.82**	109.64
		884.64	909.03
	Total	**895.67**	1,431.42

			₹ in lakhs
22.1	**Payment to Auditors as:**	**2022-23**	2021-22
	(a) Statutory Audit Fees	**11.00**	10.00
		11.00	10.00

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

₹ in lakhs

23 Taxation	**2022-23**	2021-22
Income Tax recognised in the Statement of Profit or Loss		
Current Tax	-	9.50
Deferred Tax	-	(14.18)
Tax expense of Earlier Years	7.40	149.67
Total Income Tax Expense	**7.40**	144.99

The Income Tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	**2022-23**	2021-22
Loss before Tax	**(133.17)**	(4,078.72)
Applicable Tax Rate	**25.17%**	25.17%
Computed Tax Expense	**(33.52)**	(1,026.53)
Tax Effect of :		
Carry forward losses utilised	**(41.33)**	1,040.74
Expenses disallowed	**395.65**	-
Additional Allowances for Capital Gains	**(19.09)**	(4.71)
Others	**(301.71)**	-
Current Tax Provision (A)	**-**	9.50
Incremental Deferred Tax Liability on account of Property Plant and Equipments	**-**	(14.18)
Deferred Tax Provision (B)	**-**	(14.18)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**-**	(4.68)
Effective Tax Rate	**0.00%**	0.11%

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

24 Earnings Per Share (EPS)	**2022-23**	2021-22
Face Value per Equity Share (₹)	**10.00**	10.00
Basic Earnings per Share (₹)	**(0.88)**	(26.40)
Net Loss as per Statement of Profit and Loss (₹ lakhs)	**(140.57)**	(4,223.71)
Weighted average number of equity shares used as denominator for calculating EPS	**1,60,00,000**	1,60,00,000
Diluted Earnings per Share (₹)	**(0.06)**	(5.35)
Net Loss as per Statement of Profit and Loss (₹ lakhs)	**(140.57)**	(4,223.71)
Weighted average number of equity shares used as denominator for calculating EPS	**21,72,91,233**	7,89,81,096
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	**1,60,00,000**	1,60,00,000
Total Weighted Average Potential Equity Shares	20,12,91,233	6,29,81,096
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	**21,72,91,233**	7,89,81,096

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

25 Commitments and Contingent Liabilities

₹ in lakhs

		As at 31st March, 2023	As at 31st March, 2022
(I)	**Contingent Liabilities**		
	(A) Claim against the Company/ Disputed Liabilities not acknowledged as Debts	**Nil**	Nil

26 Capital Management

The Company adheres to a disciplined Capital Management framework, the pillars of which are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.

b) Manage financial market risks arising from foreign exchange and interest rates, and minimise the impact of market volatility on earnings.

c) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet. This framework is adjusted based on underlying macroeconomic factors affecting business environment, financial market conditions and interest rates environment.

The Net gearing ratio at the end of the reporting year was as follows: ₹ in lakhs

	As at 31st March, 2023	As at 31st March, 2022
Gross Debt	**-**	1,800.00
Cash and Marketable Securities*	**6.52**	3,572.78
Net Debt (A)	**(6.52)**	(1,772.78)
Total Equity (As per Balance Sheet) (B)	**2,317.70**	6,822.98
Net Gearing (A/B)	**0.00**	(0.26)

*Cash and Marketable Securities include Cash and Cash Equivalents of ₹ 6.55 lakhs (Previous Year ₹ 225.25 lakhs), Current Investments of ₹ Nil (Previous Year ₹ 3,347.53 lakhs).

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

27 Financial Instruments

Valuation Methodology
All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

a) The fair value of investment in unquoted Mutual Funds is measured at quoted price or NAV.
b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
c) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy: ₹ in lakhs

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Trade Receivables	**1,194.45**	-	-	-	260.48	-	-	-
Cash and Cash Equivalents	**6.52**	-	-	-	225.25	-	-	-
Other Financial Assets	**327.65**	-	-	-	537.61	-	-	-
At FVTPL								
Investments	-	-	-	-	3,347.53	3,347.53	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	-	-	-	-	1,800.00	-	-	-
Trade Payables	**231.70**	-	-	-	1,691.81	-	-	-
Lease Liabilities	**1,744.36**	-	-	-	2,732.16	-	-	-
Other Financial Liabilities	**23.70**	-	-	-	141.70	-	-	-

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

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

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The Company has insignificant exposure to foreign currency transactions and the corresponding foreign curency risk is negligible.

Interest Rate risk

i **Liabilities**

The Company's borrowings are carried at amortised cost and are fixed rate borrowings. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

ii **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Kalanikethan Silks Limited
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Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from Company's activities in investments and receivables from customers. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk across the Company is actively managed through Letters of Credit, Bank Guarantees, Parent Group Guarantees, advance payments and factoring & forfaiting without recourse to the Company. The Company restricts its fixed income investments in liquid securities carrying high credit rating.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient cash, marketable securities and committed credit facilities. The Company uses range of products to ensure efficient funding from across well-diversified markets. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.
The Company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses and arranges to either fund the net deficit or invest the net surplus in a range of short-dated, secure and liquid instruments including short-term bank deposits and similar instruments. The portfolio of these investments is diversified to avoid concentration risk in any one instrument or counterparty.

₹ in lakhs

Maturity Profile as at 31st March, 2023

Liquidity Risks*	**Below 3 months**	**3-6 Months**	**6-12 Months**	**1-3 Years**	**3-5 Years**	**Above 5 Years**	**Grand Total**
Non Derivative Liabilities							
Non Current	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Lease Liabilities	**188.49**	**183.79**	**337.78**	**701.43**	**585.67**	**114.48**	**2,111.64**

₹ in lakhs

Maturity Profile as at 31st March, 2022

Liquidity Risks*	**Below 3 months**	**3-6 Months**	**6-12 Months**	**1-3 Years**	**3-5 Years**	**Above 5 Years**	**Grand Total**
Non Derivative Liabilities							
Non Current	-	-	-	-	-	-	-
Current	1,800.00	-	-	-	-	-	1,800.00
Total	1,800.00	-	-	-	-	-	1,800.00
Lease Liabilities	229.30	229.30	453.42	1,278.94	741.22	432.16	3,364.34

* Does not include Trade Payable amounting to ₹ 231.70 lakhs (Previous Year ₹ 1,691.81 lakhs)

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

28 Related Party Disclosures :

(i) List of related parties with whom transactions have taken place and relationship

Sr. No	Name of the Related Party		Relationship
	Parties where control exists		
1	Reliance Industries Limited	}	Ultimate Holding Company
2	Reliance Retail Ventures Limited	}	Holding Company
3	Reliance Retail Limited	}	Fellow Subsidiary
4	Kalanikethan Fashions Limited (formerly known as Kalanikethan Fashions Private Limited)	}	Fellow Subsidiary
	Key Management Personnel (KMP)		
1	Nagabhushanam Vemuluri	}	Managing Director
2	Suvarchala Vemuluri (Director upto 24th November, 2021)	}	Relative of KMP
3	Rakesh Sharma	}	Director
4	Akhilesh Prasad	}	Director
5	Sameer Agrawal	}	Chief Financial Officer
6	Priyanshi Garg (upto 14th February, 2023)	}	Company Secretary
7	Shivani Sharma (w.e.f. 15th April, 2023)	}	Company Secretary

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

(ii) Disclosure in respect of related party transactions during the year:

₹ in lakhs

Sr. No.	Particulars	Relationship	2022-23	2021-22
1	**Issuance of Optionally Fully Convertible**			
	Reliance Retail Ventures Limited	Holding Company	**-**	20,165.00
2	**Redemption of Optionally Fully Convertible**			
	Reliance Retail Ventures Limited	Holding Company	**4,365.00**	-
3	**Sale of Property, Plant & Equipment**			
	NagabhushanamVemuluri	KMP	**75.51**	94.83
4	**Inter Corporate Deposit Taken**			
	Reliance Retail Ventures Limited	Holding Company	**-**	1,800.00
5	**Inter Corporate Deposit Taken - Repaid**			
	Reliance Retail Ventures Limited	Holding Company	**1,800.00**	-
6	**Inter Corporate Deposit Given**			
	Kalanikethan Fashions Limited (formerly known as Kalanikethan Fashions Private Limited)	Fellow Subsidiary	**3,500.00**	-
7	**Inter Corporate Deposit Given - Repaid**			
	Kalanikethan Fashions Limited (formerly known as Kalanikethan Fashions Private Limited)	Fellow Subsidiary	**3,500.00**	-
8	**Revenue from Operations**			
	Reliance Retail Limited	Fellow Subsidiary	**9,462.72**	296.34
9	**Sale of Services**			
	Reliance Retail Limited	Fellow Subsidiary	**1,700.11**	-
10	**Purchase of Services**			
	Reliance Retail Limited	Fellow Subsidiary	**4.00**	-
11	**Interest Income on ICD**			
	Kalanikethan Fashions Limited (formerly known as Kalanikethan Fashions Private Limited)	Fellow Subsidiary	**99.45**	-
12	**Purchase of Stock in Trade**			
	Reliance Retail Limited	Fellow Subsidiary	**0.78**	-
	Kalanikethan Fashions Limited (formerly known as Kalanikethan Fashions Private Limited)	Fellow Subsidiary	**4,718.32**	2,034.76
13	**Payment to Key Managarial Personnel**			
	Nagabhushanam Vemuluri	KMP	**221.69**	8.00
	Suvarchala Vemuluri	Relative of KMP	**-**	6.00
14	**Finance Cost**			
	Reliance Retail Ventures Limited	Holding Company	**27.99**	60.20

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

(ii) Disclosure in respect of related party transactions during the year: ₹ in lakhs

Sr. No.	Particulars	Relationship	2022-23	2021-22

(ii) Balance outstanding as at year end:

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1	**Optionally Fully Convertible Debentures**		
	Reliance Retail Ventures Limited	**15,800.00**	20,165.00
2	**Advance received from Customers**		
	Reliance Retail Limited	**-**	1,032.73
3	**Trade Receivables**		
	Reliance Retail Limited	**1,190.49**	-
4	**Trade Payables**		
	Kalanikethan Fashions Limited (formerly known as Kalanikethan Fashions Private Limited)	**-**	527.01
5	**Inter Corporate Deposit taken**		
	Reliance Retail Ventures Limited	**-**	1,800.00

28.1	Compensation of Key Managerial Personnel	2022-23	2021-22
	Short Term Benefits	**296.69**	14.00

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2023

29 Segment Information

The Company has one operating and reportable segment i.e. distribution, marketing and retail trading of women apparels. The chief operating decision maker reviews information presented in the financial statements for purposes of allocating revenue and evaluating financial performance. Hence, there are no additional disclosures required, other than those already provided in the financial statements.

₹ in lakhs, except for ratios

30	**Ratios**	**2022-23**	2021-22
i	Current Ratio	**1.23**	1.76
ii	Debt Service Coverage ratio	**0.53**	(0.27)
iii	Inventory Turnover Ratio	**3.88**	1.65
iv	Trade Payable Turnover Ratio	**6.21**	1.82
v	Net Loss Ratio	**-1.10%**	-40.86%
vi	Return on Investment	**16.02%**	6.82%
vii	Debt-Equity Ratio	**-**	0.26
viii	Trade Receivable Turnover Ratio	**17.61**	33.03
ix	Net Capital Turnover Ratio	**5.85**	(3.79)
x	Return on Capital Employed	**-7.46%**	-139.29%
xi	Return on Equity	**-3.08%**	364.89%

Note		**2022-23**	2021-22
i	Current Assets (A)	1,357.57	9,575.81
	Current Liabilities (B)	1,108.05	5,443.57
	Current Ratio (A/B)	**1.23**	1.76

Reason: Current Liabilities reduced as the company paid all its creditors during the year and Current Assets reduced as it has sold all its inventory as well as investments. These all impacted in reduction in Current Ratio.

ii	Earnings / (Loss) before Interest, Depreciation, and Tax (C)	**1,431.98**	(1,560.52)
	Interest Expense (D)	27.99	849.78
	Principal Repayments made during the period for long term loans and lease payments (E)	2,684.24	4,972.46
	Debt Service Coverage ratio (C/(D+E))	**0.53**	(0.27)

Reason: In current year, company's EBITDA has increased and the Interest expense has reduced as the company repaid all its borrowings last year and only had ICD Interest in the current year. Further, principal repayments made in previous year included the loans repayment along with lease payments, but in current year it is only lease payments. These all impacted in better Debt Service Coverage Ratio.

iii	Cost of Goods Sold (Purchases of Stock-in-Trade + Changes in Inventories of Stock-in-Trade) (F)	10,478.36	9,909.97
	Average Inventories of Stock-in-Trade (G)	2,703.06	6,014.47
	Inventory Turnover Ratio (F/G)	**3.88**	1.65

Reason: In current year, the company sold all its inventory resulting in increased COGS. Further, since there is no closing inventory, the average Stock-in-Trade has reduced. These all impacted in better Inventory Turnover Ratio.

iv	Purchases of Stock-in-Trade + Other Expenses (H)	5,967.92	10,124.69
	Average Trade Payables (I)	961.75	5,569.55
	Trade Payable Turnover Ratio (H/I)	**6.21**	1.82

Reason: In current year, purchases of Stock-in-Trade has reduced and Other Expenses have also reduced drastically compared to previous year. Further, average Trade Payables have also reduced as the company has cleared payments to all its trade creditors in the current year. These all impacted in better Trade Payable Turnover Ratio.

v	Loss After Tax (J)	(140.57)	(4,223.71)
	Revenue from Operations (K)	12,812.13	10,338.07
	Net Loss Ratio (J/K)	**-1.10%**	-40.86%

Reason: In current year, the company has performed better with reduction in loss after tax. Further, the revenue of the company also increased as it started providing Business Support Services in the current year. These all impacted in improved Net Loss Ratio.

vi	Other Income (Excluding Dividend, Notional Gain on ROU Termination and lease concessions) (L)	286.68	128.73
	Average Cash, Cash Equivalents & Other Marketable Securities (M)	1,789.65	1,886.17
	Return on Investment (L/M)	**16.02%**	6.82%

Reason: In current year, part of gains relating to immovable property sold last year was accounted and also gain on sale of mutual funds increased compared to last year, hence Other Income increased. Further, average investment has remained constant in current year. These all impacted in better Return on Investment.

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

vii	Total Debt (N)	-	1,800.00
	Total Equity (O)	2,317.70	6,822.98
	Debt-Equity Ratio (N/O)	**-**	0.26

Reason: In current year, the company fully repaid the outstanding debt in the form of ICD, the debt has become Nil. This resulted in reduction in Debt to Equity ratio to Nil.

viii	Revenue from Operations (P)	12,812.13	10,338.07
	Average Trade Receivables (Q)	727.47	312.99
	Trade Receivables Turnover Ratio (P/Q)	**17.61**	33.03

Reason: In current year, Revenue from Operations have increased as the company have started providing Business Support Services. Further, average trade receivables has also reduced as the company has reduced its trade receivable drastically. These have resulted in lower Trade Receivable Turnover Ratio than previous year.

ix	Revenue from Operations (R)	12,812.13	10,338.07
	Average Working Capital (S)	2,190.88	(2,728.18)
	Net Capital Turnover Ratio (R/S)	**5.85**	(3.79)

Reason: In current year, Revenue from Operation has increased as the company has started providing Business Support Services. Further, Average working capital increased as in current year, the company's current assets is more than current liabilities because it cleared payments to all its trade creditors. Thus, increasing the Net Capital Turnover Ratio.

x	Net Loss After Tax + Deferred Tax + Finance Cost (-) Other Income (T)	(269.16)	(3,464.48)
	Average capital employed (U)	3,607.24	2,487.20
	Return on Capital Employed (T/U)	**-7.46%**	-139.29%

Reason: In current year, the company has reduced its losses drastically and has improved its average capital employed than previous year because of issuance of OFCD classified as equity in previous year. These all impacted as better Return on Capital Employed.

xi	Loss After Tax (Attributable to Owners) (V)	(140.57)	(4,223.71)
	Average Net Worth (W)	4,570.34	(1,157.53)
	Return on Equity (V/W)	**-3.08%**	364.89%

Reason: In current year, the company has reduced its losses and also its average networth has improved drastically as compared to last year, where both profits and average networth were negative. Networth improved due to issue of OFCD classified as equity in previous year. So, considering reduced losses and better average networth, Return on Equity has improved compared to last year.

30.1 **Formulae for computation of ratios are as under :**

Sr. No.	**Particulars**	**Formula**
i	Current Ratio	Current Assets / Current Liabilities
ii	Debt Service Coverage Ratio	Earnings before Interest, Depreciation and Tax / Interest Expense + Principal Repayments made during the period for long term loans and lease payments
iii	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventories of Stock-in-Trade
iv	Trade Payables Turnover Ratio	Purchases of Stock in Trade + Other Expenses / Average Trade Payables
v	Net Loss Ratio %	Loss After Tax / Revenue from Operations
vi	Return on Investment	Other Income (Excluding Dividend, Notional Gain on ROU Termination & Lease Concessions) / Average Cash, Cash Equivalents & Other Marketable Securities
vii	Debt-Equity Ratio	Total Debt / Total Equity
viii	Trade Receivables Turnover Ratio	Revenue from Operations / Average Trade Receivables
ix	Net Capital Turnover Ratio	Revenue from Operations / Average Working Capital

Kalanikethan Silks Limited
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Notes to the Financial Statements for the year ended 31st March, 2023

x	Return on Capital Employed	$\frac{\text{Net Profit After Tax + Deferred Tax + Finance Cost (-) Other Income}}{\text{Average Capital Employed}}$
xi	Return on Equity	$\frac{\text{Profit / (Loss) After Tax}}{\text{Average Net Worth}}$

31 MCA notification dated 24th March, 2021 for amendments to Schedule III disclosures and other statutory information:

(i) Title deeds of Immovable Property not held in name of the Company - Not applicable as there are no immovable properties other than lease hold properties.

(ii) Details of Benami Property and its proceedings- Not applicable as there are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iii) Wilful Defaulter - The Company has no loans from Banks or Financial Institutions and hence the Company has not been classified as a wilful defaulter.

(iv) Relationship with Struck off Companies - As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

(v) Compliance with number of layers of companies - Not Applicable as the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved Scheme(s) of Arrangements - Not Applicable as the Company has no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(vii) Details of Crypto Currency or Virtual Currency - Not Applicable as the Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) There were no whistle blower complaints received by the Company during the year.

(ix) The Company does not have any such transaction which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

(x) The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

(xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) Provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) Provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiii) Registration of charges or satisfaction with Registrar of Companies - Not applicable as there is no charge created against the assets of the Company.

32 The figures of the corresponding year has been regrouped/reclassified wherever necessary, to make them comparable.

33 These financial statements were adopted by the Board of Directors in their meeting held on 15th April, 2023

Kalanikethan Silks Limited
(formerly known as Kalanikethan Silks Private Limited)

As per our Report of even date

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No: 117366W/W-100018

Nagabhushanam Vemuluri
Managing Director
DIN: 01553113

Varsha A. Fadte
Partner
Membership No. 103999

Rakesh Sharma
Director
DIN: 09416935

Akhilesh Prasad
Director
DIN: 01757265

Sameer Agrawal
Chief Financial Officer

Shivani Sharma
Company Secretary

Date : 15th April, 2023