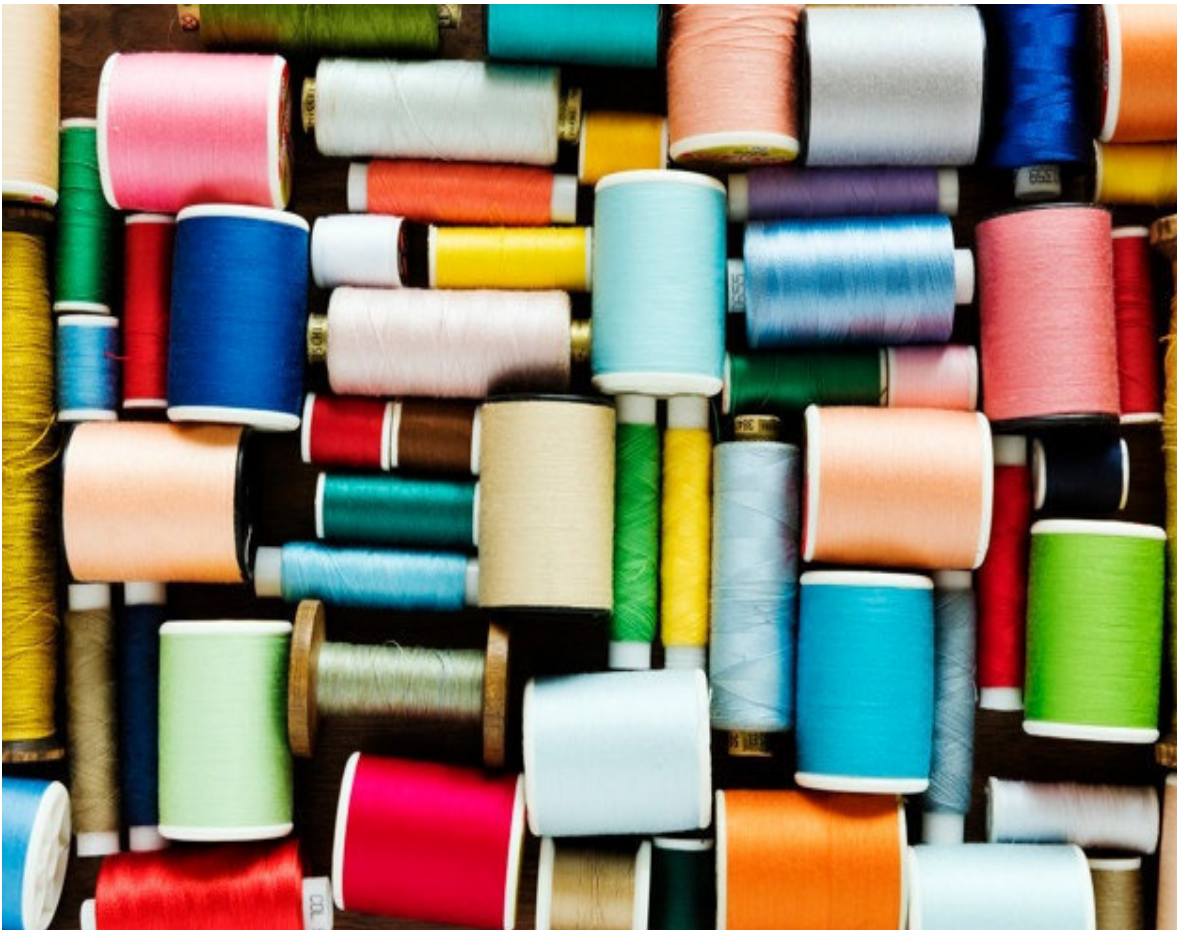


HIMACHAL FIBRES LIMITED

ANNUAL REPORT 2021-22



HIMACHAL FIBRES LIMITED



HIMACHAL FIBRES LIMITED CORPORATE INFORMATION

BOARD OF DIRECTORS & DESIGNATION

Mr. Surjit Singh

Chairman, Non-Executive & Independent Director

Mr. Gian Chand Thakur

Whole time Director

Mr. Manoj Kumar

Non-Executive & Non- Independent Director

Mrs. MalkeetKaur

Non-Executive & Independent Director

BOARD COMMITTEES

Audit Committee

Mr. Surjit Singh (Chairperson)

Mr. Gian Chand Thakur

Mrs. MalkeetKaur

Nomination & Remuneration Committee

Mrs. MalkeetKaur (Chairperson)

Mr. Manoj Kumar

Mr. Surjit Singh

Stakeholders Relationship Committee

Mr. Surjit Singh (Chairperson)

Mr. Gian Chand Thakur

Mrs. MalkeetKaur

KEY EXECUTIVE OFFICERS

Mr. Navrattan Sharma

Chief Financial Officer

Mrs.LaxmiKhatri

Company Secretary & Compliance Officer

STATUTORY AUDITORS

Manjul Mittal & Associates

Chartered Accountants

32, Green Enclave, Near Ferozepur Road,

Octroi Post, Barewal, Ludhiana-141001

SECRETARIAL AUDITORS

Rajeev Bhambri & Associates

Company Secretaries in Practice

SCO-9, 2nd Floor, Jandu Tower,

Miller Ganj, Ludhiana-141003

BANKERS

State Bank of India Sunder Nagar, Ludhiana-141007

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99, Madangir,

Behind Local Shopping Centre,

Near Dada HarsukhDassMandir, New Delhi – 110062,

REGISTERED OFFICE/ WORKS

Plot No. 43-44, Industrial Area,

Barotiwala-174 103 (Himachal Pradesh)

CORPORATE OFFICE

8-L, Model Town, Backside Hotel

Chevron, Ludhiana-141002(Punjab)

41st ANNUAL GENERAL MEETING

DAY: Wednesday

DATE: 14th September, 2022

TIME: 04:30P.M.

PLACE: Video Conferencing

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**NOTICE**

Notice is hereby given that the **41st Annual General Meeting (AGM)** of the members of the Company will be held on Wednesday, the 14th day of September, 2022 at 04.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") as per the detailed instructions stated hereinafter, to transact the following businesses:-

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements as at March 31st 2022, together with the Report of Auditors and Directors thereon.**
2. **To appoint a Director in place of Mr. Gian Chand Thakur (DIN: 07006447), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.**
3. **To Re-Appoint Statutory Auditors of the Company.
To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors of the company, consent of members be and is hereby accorded to re-appoint "Manjul Mittal & Associates, Chartered Accountants (Firm Registration No. 028039N)," as Statutory Auditors of the Company, to hold office for a period of five consecutive years commencing from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting of the Company to be held in calendar year 2027, on the terms, conditions and stipulations, including remuneration as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 180 (1)(a) and any other applicable provisions of the Companies Act, 2013 and the Rules made there under including any statutory modification(s) or re-enactment (s) thereof for the time being in force, Consent and approval of members be and is hereby accorded to the Board of Directors on behalf of Company to transfer the leasehold rights of land of Company measuring 81612 sq. metres along with building situated thereon at Industrial Area, Barotiwala, Tehsil Kasauli, Distt. Solan (H.P) and to sell plant & machinery and other fixed assets installed thereat for a consideration of Rs. 18 cr. and on such other terms and conditions as the Board in its absolute discretion thinks fit or appropriate."

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable."

**By Order of the Board
For Himachal Fibres Limited
Sd/-
(Laxmi Khatri)**

Company Secretary & Compliance Officer

Place: Ludhiana

Dated: August 13th 2022

<p>Registered Office: Plot No.43-44, Industrial Area, Barotiwala-174 103 (Himachal Pradesh)</p> <p>Corporate Office: 8-L, Model Town, Backside Hotel Chevron Ludhiana-141002 (Punjab)</p>	<p>CIN: L17119HP1980PLC031020 Website: www.himachalfibre.com Email: hfl.corporate@gmail.com</p>
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**NOTES:**

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 in respect of Director seeking appointment / reappointment at the meeting is enclosed as Annexure to this Notice.
2. In view of the continuing Covid-19 global pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular number 02/2022 dated May 05, 2022 read with circular number 20/2020 dated May 05, 2020, circulars number 02/2021 dated January 13, 2021, circular number 19/2021 dated December 08, 2021 and circular number 21/2021 dated December 14, 2021 and SEBI Circular SEBI /HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/ 11 dated January 15, 2021 and SEBI /HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (hereinafter collectively referred to as "the Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM), without the physical presence of the members at a common venue. Hence, in compliance with the circulars, the AGM of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
4. The Members can join the 41st AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at www.himachalfibres.com and on the website of Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website Central depository Services (India) Limited at www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.



10. As the AGM shall be conducted through VC/OAVM, the Attendance Slip and the Route Map of the venue are not annexed to this Notice. Further, the facility of appointment of proxy by the Member is not available for the meetings held through VC/OAVM; hence the Proxy Form is not annexed to this Notice.
11. Institutional/Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution/s authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at hfl.corporate@gmail.com
12. In accordance with, the General Circular No. 20/2020 dated 5 May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
13. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 08th September, 2022 to September 14th 2022 (both days inclusive).
14. Participation of members through VC/OAVM will be reckoned for the purpose of quorum of the AGM as per section 103 of the Act.
15. The Required Registers of the Companies Act shall be available for inspection of the Members of the Company from the date of Notice to till the conclusion of 41st Annual General Meeting. The Members may send request for the inspection by sending mail at hfl.corporate@gmail.com
16. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
17. Voting through electronic means:
In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
18. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not casted their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
19. Pursuant to SEBI circular, shareholders whose ledger folios do not have or have incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA/company for registration in their folio. The Companies Act, 2013, and rules made there under also require further details to be submitted to the Company like PAN, email address, father's/mother's/spouse's name and bank particulars. Members holding shares in electronic form are therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts.
20. Pursuant to SEBI circular, shareholders holding shares in physical form has mandated to convert their shares in dematerialization form for carried out the transfer of shares effective.
21. We urge members to support our commitment to the situation of COVID 19 & environmental protection by choosing their shareholding communication through email. You can do this by updating your email address with your depository participants/RTA.
22. Pursuant to the provisions of the Act, read with Companies (Significant Beneficial Owners) amendments Rules, 2019 ("the Rules") notified by the Ministry of Corporate Affairs on 08 February, 2019, an Individual, who acting alone or together, or through one or more persons or trusts, Body Corporates, HUF, Partnership firms, Investment vehicle, becomes a significant beneficial owner or where his/her significant beneficial ownership undergoes any change in Company, shall file declaration in prescribed forms with the Company. The significant beneficial ownership for this purpose shall mean individually or together holding of 10% or more of the shares or voting rights in the Company. Therefore, if applicable, the Members are requested to file necessary declaration in BEN -1 with the Company. The aforesaid Rules and the relevant provisions of the Act with format are available at



<http://ebook.mca.gov.in/default.aspx>. For any clarification the Members may contact the Company by writing an Email on hfl.corporate@gmail.com

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Saturday, 10th September, 2022 at 09:00 A.M. and ends on Tuesday, 13th September, 2022 at 05:00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 07th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting</p>



	<p>period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

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

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat



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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant “Himachal Fibres Limited”/ “Electronic Voting Sequence Number” of Himachal Fibres Limited.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; hfl.corporate@gmail.com or rajeev.bhambri@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at hfl.corporate@gmail.com The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at hfl.corporate@gmail.com These queries will be replied to by the company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to hfl.corporate@gmail.com/beetalrta@gmail.com.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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



Subject to the receipt of requisite number of Votes, the resolutions shall be deemed to be passed on the date of AGM i.e. September 14th 2022.

**By Order of the Board
For Himachal Fibres Limited
Sd/-**

(Laxmi Khatri)

Company Secretary & Compliance Officer

Place: Ludhiana

Dated: August 13th 2022

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

Item No. 3 the disclosure relating to appointment of Statutory Auditors of the Company pursuant to Regulation 36(5) of the Listing Regulation:

Name of the Statutory Auditors proposed to be appointed	Manjul Mittal & Associates, Chartered Accountants (Firm Registration No. 028039N)
Proposed Fees Payable	It will be decided by the Board of Directors and In addition to the above, re-imbursement of applicable taxes and out of pocket and travelling and other expenses incurred in connection with the work of audit to be carried out by them.
Terms of Re-appointment	For a second term of 5 years commencing from the conclusion of this 41 st Annual General Meeting until the Conclusion of the 46 th Annual General Meeting.
Material change in the fee payable to new auditor from that paid to the outgoing auditor along with the rationale for such change	No material changes are made in the fee payable
Basis of recommendation for appointment	<ul style="list-style-type: none"> • Competence of the leadership and of the audit team of the firm in conducting the audit of the financial statements of the Company; • Ability of the firm to seamlessly scale and understand the Company's operations, systems and processes
Credentials of the Statutory Auditors proposed to be appointed	Type of Firm: Partnership Firm Name of Auditor: Manjul Mittal Address: 32, Green Enclave, Near Ferozepur Road, Octroi Post, Barewal, Ludhiana-141001

Item No. 4

It is necessary for the Company to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013, consenting to sell or lease the undertaking of the Company. The sale as aforesaid is being done to settle the outstanding dues of the Banks. Hence, your directors recommend the resolution as a Special Resolution for your approval.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution financially or otherwise. The Board recommends the passing of resolution as a Special Resolution as set out at item No. 4 of the Notice.

**By Order of the Board
For Himachal Fibres Limited**

Sd/-

(Laxmi Khatri)

Company Secretary & Compliance Officer

Place: Ludhiana

Dated: August 13th 2022

Information Pursuant to Regulation 36 of the Listing regulations and Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI), regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.



Re-appointment of Mr. Gian Chand Thakur

Name of the Director	Mr. Gian Chand Thakur
DIN	07006447
Date of Birth	20/04/1972
Date of Appointment	12/11/2014
Brief Resume & Expertise in specific functional area	He has experience of Twenty Nine (30) years in the Industry and during his career in textile industry, he has worked with Auro Spinning Mills, Arihant Industries, Birla Textile Mill, Indian Yarn Ltd.
Board meetings held & attended during FY 2021-22	Held Five (5) and attended Five (5)
No. of Shares in the company	NIL
Qualification	P.G. (Public Administration)
Directorships of other Listed Companies	NIL
Chairmanship / Membership of Committees of other Listed Companies	NIL
Relationship with other Directors	Not related to any director
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and condition of re-appointment including remuneration are forming part of the resolution set out at item no. 4 of this notice. Remuneration Last drawn is Rs. 3.60 Lac during the last financial year.
Justification for choosing the appointees for appointment as Independent Directors	N.A.

HIMACHAL FIBRES LIMITED



BOARD'S REPORT

TO
THE MEMBERS OF,
HIMACHAL FIBRES LIMITED.

Your Directors have pleasure in presenting the 41st Annual Report together with the Audited Statement of Accounts of Himachal Fibres Limited (HFL) for the year ended March 31st, 2022.

1. FINANCIAL HIGHLIGHTS.

The summary of the financial performance of the Company for the financial year ended March 31st, 2022 compared to the previous year ended March 31st, 2021 is given below:

Particulars	(in Lacs)	
	Year Ended March 31 st 2022	Year Ended March 31 st 2021
Revenue from Operations and Other Income (Total Revenues)	2850.23	1518.50
Gross loss before interest and depreciation	(284.61)	(54.92)
Finance cost	255.08	333.43
Profit before depreciation and amortization (Cash Profit)	(539.69)	(388.35)
Depreciation and Amortization	180.71	206.53
PBT before exceptional items	(594.88)	(594.88)
Exceptional items	0.00	0.00
Profit/Loss before Tax (PBT)	(720.41)	(594.88)
Tax- Current	(0.000)	(0.000)
Tax- Deferred	(33.30)	(91.04)
Profit/Loss after Tax	(687.10)	15.18
Other Comprehensive Income (Net of Tax)	19.79	15.18
Total Comprehensive Income	(667.30)	(488.66)
Earnings per Share (EPS) (in Rs.) (after exceptional item)		
- Basic	(0.80)	(0.58)
- Diluted	(0.80)	(0.58)

*Previous figures have been regrouped/ reclassified, wherever necessary, to confirm with the current period classification/presentation.

2. STATE OF COMPANY'S AFFAIRS :

Total Revenue from operation for the year is Rs. 2728.97 Lakhs as compared to Rs. 1454.39 Lakhs of previous year. The Net Loss after tax for the year ended March 31st, 2022 is Rs. (667.30) Lakhs as compare to Net Loss after tax of Rs. (488.66) Lakhs for the previous year.

3. DIVIDEND

In view of the Loss for the year ended March 31st 2022, the Board of directors has not recommended any dividend for the year under review.

4. TRANSFER TO RESERVE

The Board of your Company has decided not to transfer any amount to the General Reserves for the financial year 2021-22.

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

Since there were no unpaid/unclaimed Dividend and other amounts, as prescribed under Sections 124 & 125 of Companies Act, 2013 lying with the company, therefore, the provisions of above mentioned sections do not apply to the company.



6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

In pursuance to section 134(3) (L) of the Act, no material changes and commitments have occurred after the closure of the financial year to which the financial statements relate till the date of this report, affecting the financial position of the Company except the Assessment of Impact of Pandemic of COVID-19 on the Business of Company.

During the financial year 2021-22, the Company has entered into One Time Settlement (OTS) with its sole lender State Bank of India, regarding credit facilities availed by the Company, for a total amount of Rs. 17.72 Crores, payable in various installments, which are being paid as scheduled.

7. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the company during the year under review.

8. SHARE CAPITAL

During the year under review, no change in the paid-up share capital of the company.

8.1 Redemption of Preference Shares

The Company has not redeemed any Preference Shares during the year under review.

8.2 Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

8.3 Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

8.4 Bonus Shares

No Bonus Shares were issued during the year under review.

8.5 Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

9. FINANCE

9.1 Cash And Cash Equivalent

Cash and Cash equivalent as at March 31st, 2022 is Rs. 06.79 Lakhs. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

9.2 Deposits/ Fixed Deposits

During the year, Company has not accepted deposit from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not repaid any deposits to the public during the year and no deposits are remained unpaid / unclaimed as on March 31st, 2022.

9.3 Particulars of Loans, Guarantees or Investments

Detail of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

10. HUMAN RESOURCES

HFL is committed to hiring, developing and retaining the best minds in the industry. The Company has key internal processes and initiatives that support this vision. The Company has developed a strong employee value proposition that focuses on key pillars of

HIMACHAL FIBRES LIMITED



challenging work that matters, hiring and retaining the right people, sustained focus on talent and leadership development, differentiated rewards to drive exceptional performance and community engagement.

Talent management is a shared responsibility between business leaders and the Human Resources function at HFL, enabling a strong focus on succession planning for key roles and actively promoting internal move to drive career growth. Talent management is supported by a strong learning architecture that enables leadership and functional development. This is supported by a Positive Employee Relations (PER) strategy that aims to build an engaged and motivated workforce.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

11.1 Directors

Mr. Gian Chand Thakur whole time director of the Company retires by rotation at this AGM and being eligible offer himself for reappointment.

11.2 Key Managerial Personnel (KMP)

Board would also like to inform the members that Mr. Navratan Kumar Sharma resigned from the post of Chief financial officer due to his personal reason and rejoined the same position during the year. Mrs. Laxmi Khatri was appointed w.e.f. April 18th 2019 as a Company Secretary of the Company.

12. BOARD MEETINGS & ATTENDANCE OF DIRECTORS

Five (5) meetings of the Board of Directors were held during the year 2021-22.

Date of Meetings: - June 30th 2021 - August 14th 2021 - November 13th 2021 - February 14th 2022 and March 30th 2022 The details about the meetings and attended by all the directors of the Company:

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee as on 31.03.2022			No. of shares held in the Company as on 31.03.2022	List of Directorship held in Other Listed Companies and Category of Directorship
		Board Meeting	Last AGM	Directorship held in other Indian Public Limited Companies*	Committee Membership**	Committee Chairpersonship**		
Mr. Gian Chand Thakur	Whole Time Director	5	Yes	Nil	2	Nil	Nil	Nil
Mrs. Malkeet Kaur	Independent Director	5	Yes	2	4	1	Nil	Nil
Mr. Manoj Kumar	Non Executive Director & Non-Independent Director	5	Yes	5	3	3	Nil	Nil
Mr. Surjit Singh	Independent Director	5	Yes	3	2	2	Nil	Nil

* Excludes Directorship in Foreign Companies, Private Limited Companies and Section 8 Companies.

** For the purpose of considering the Committee Membership and Chairpersonship of a Director, the Audit Committee and the Stakeholders' Relationship Committee of all Public Limited Companies including HFL has been considered.

13. COMMITTEES OF BOARD

The details regarding Committees of the Board of Directors of the Company:



AUDIT COMMITTEE

The committee continues to perform its tasks under the companies Act, 2013 as well as SEBI (Listing Obligations and Disclosures) Regulations, 2015.

In the financial year 2021-22, four meetings were held on - Date of Meetings: -June 30th 2021 - August 14th 2021 - November 13th 2021 -February 14th 2022. Composition of the committee and details of meetings held and member's attendance during the year are as under:

Name	Status	Category	No of Meetings Held and Attended during the year 2021-22	
			Held	Attended
Mr. Surjit Singh	Chairperson	Non Executive & Independent Director	4	4
Mrs. Malkeet Kaur	Member	Non Executive & Independent Director	4	4
Mr. Gian Chand Thakur	Member	Whole time Director	4	4

The Company Secretary acts as the secretary to the Audit committee. Chief Financial Officer attends all the meetings and statutory auditors and internal auditors are also invited for the meeting. Mr. Surjit Singh, the Chairperson of the Audit Committee was present at the last Annual General Meeting held on September 28th 2021.

NOMINATION AND REMUNERATION COMMITTEE

The committee continues to perform its tasks under the companies Act, 2013 as well as SEBI (Listing Obligations and Disclosures) Regulations, 2015.

Composition of committee and details of meetings held and member's attendance during the year under review are as under:

Date of Meetings: - -June 30th 2021 - August 14th 2021 - November 13th 2021 -February 14th 2022.

Name	Status	Category	No of Meetings Held and Attended during the year 2021-22	
			Held	Attended
Mrs. Malkeet Kaur	Chairperson	Non Executive & Independent Director	4	4
Mr. Manoj Kumar	Member	Non Executive Director	4	4
Mr. Surjit Singh	Member	Non Executive & Independent Director	4	4

The Company Secretary acts as the secretary to the Nomination and Remuneration committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee performs various functions conferred under the Listing Regulations and Section 178 of the Act, which mainly covers ensuring resolution of grievances of security holders of the company.

Composition of committee and details of meetings held and member's attendance during the year under review are as under:

Date of Meetings: - -June 30th 2021 - August 14th 2021 - November 13th 2021 -February 14th 2022.

Name	Status	Category	No of Meetings Held and Attended during the year 2021-22	
			Held	Attended
Mr. Surjit Singh	Chairperson	Non Executive & Independent Director	4	4
Mrs. Malkeet Kaur	Member	Non-Executive & Independent Director	4	4
Mr. Gian Chand Thakur	Member	Whole time Director	4	4

The Company Secretary acts as the secretary to the Stakeholders Relationship committee.

The details of complaints received and resolved during the Financial Year ended March 31st 2022 are given in the table below:

HIMACHAL FIBRES LIMITED



Investor Complaints	Number
Number of shareholders' complaints received during 2021-22	0
Number of solved to the satisfaction of shareholders	0
Number of pending complaints as on March 31, 2022	Nil

Name and designation of the Compliance Officer:

Mrs. Laxmi Khatri, the Company Secretary is the Compliance Officer of the Company and be contacted at Ph: 0161-4684000 and Fax: 0161-4684010 and Email: hfl.corporate@gmail.com.

Other Committee Details:

In order to smoothen the operation of the company, the power of Board has been delegated by forming committees with specific purposes.

COMMITTEE NAME	MEMBERS	NO OF MEETINGS
SECURITIES TRANSFER COMMITTEE	Mr. Surjit Singh (Chairperson) Mr. Gian Chand Thakur Mr. Manoj Kumar	2
BANKING & FINANCE COMMITTEE	Mr. Surjit Singh (Chairperson) Mr. Gian Chand Thakur Mr. Manoj Kumar	2

14. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independence laid down in and Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

15. CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

16. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. CORPORATE GOVERNANCE:



Pursuant to provisions of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the compliance with the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not applicable to the Company as the paid up equity share capital of the Company is Rs. 8,62,50,000/(Rupees Eight Crore, Sixty-two Lakh and Fifty Thousand Only)) and net worth of the Company is Rs. (39,890,058) /- (Rupees Three Crore Ninety Eight Lac Ninety Thousand Fifty Eight Only) as on the last day of the previous financial year i.e. March 31, 2022 which is not exceeding Rs. 10 Crores and Rs. 25 Crores, respectively as per the latest audited Financial Statements as at March 31, 2022. Whenever this regulation becomes applicable to the Company at a later date, the Company shall comply with requirements of this regulation within six months from the date on which such provisions became applicable to the Company.

18. AUDITORS AND RECORDS

18.1 Statutory Auditors

M/s. Manjul Mittal & Associates, Chartered Accountants (Firm Registration No. 028039N) was appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting due to his first term expiry they are eligible for re-appointment of the Second term therefore being eligible offer himself for reappointment for second term from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting .

18.2 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Rajeev Bhambri & Associates (CP No.: 9491, FCS: 4327),Company Secretaries in practice to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure - 1'.

18.3 Internal Auditors

Mr. Varinderjit Singh Appointed as Internal Auditor and he performed the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

18.4 Cost Records

Pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of Section 148 of the Companies Act, 2013,is required by the Company and accordingly such prescribed accounts and records have been made and maintained.

18.5 Explanation on qualification/ reservation/ adverse remarks in the Auditors' Report

Members' attention is invited to the observations/Qualification made by the Statutory Auditors appearing in Independent Auditor's Report and by Secretarial Auditor in Secretarial Audit Report. The observations/Qualification made by auditors in their reports along with the management replies on them is as follows:

- a) Regarding Auditor's remark in their report and Secretarial Auditor's remark in their report, it is informed that the company accords top priority in depositing the statutory dues. However, the liquidity crunch being faced by it due to various reasons has led to some delay in the deposit of statutory dues.
- b) Regarding Auditor's Remark in their report and Secretarial Auditor's remark in their report, Company has defaulted in payment of interest and installment of dues to SBI and the Company has been Declared as NPA as on 31.03.2022 as COVID-19 has affected the production and sales of the Company quite badly, which has resulted in severe cash liquidity problems. The delay in recovery and defaults in trade receivables has further aggravated the situation. These all factors have forced us to default in the payments to banks. However, the situation is recovering now and we are expecting the normalization in the operations very soon. The Company is closely monitoring any material changes arising of future economic conditions and impact on its business although it is quite difficult to assess due to the highly uncertain situation.

19. INTERNAL FINANCIAL CONTROLS



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

20. LISTING OF SECURITIES

The Securities of the Company are listed on BSE Limited. The Company has not paid annual listing fee to exchanges for the year 2022-23 however the same will be paid shortly.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

22. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as 'Annexure- 2'

23. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. The details of the Whistle Blower Policy is posted on the website of the Company.

24. RISK MANAGEMENT POLICY

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes and behaviors together form the Risk Management Policy that governs how the company conducts its business and manages associated risks.

25. HOLDINGS, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Holdings, Subsidiary, Joint venture or Associate Company. There were no companies which have become or ceased to be its holdings, subsidiaries, joint ventures or associate companies during the year under review.

26. RELATED PARTY TRANSACTIONS/ PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

All transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, were in the ordinary course of business and were on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The report of the Board in respect of the particular of contracts or arrangements with related parties referred to sub section (1) of Section 188 in form AOC-2 is annexed to this report in 'Annexure- 3'.

27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

The Company has in place a prevention of sexual Harassment policy in line with the requirements of the sexual Harassment of Women at the Workplace (prevention, prohibition and Redressal) Act, 2013. A Sexual Harassment Committee/Internal Complaints Committee (ICC) was setup/constituted which is responsible for redressal of complaints related to sexual harassment at the workplace. During the year 2021-22, no complaint were received/filed by the Company related to sexual Harassment.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure- 4".

29. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to the Board's report as per 'Annexure- 5'.

30. REMUNERATION POLICY AND BOARD EVALUATION



Company has Nomination and Remuneration policy in place pursuant to Companies Act, 2013 and SEBI (LODR) Regulation, 2015. Independent directors in their meeting held on March 30th 2022, evaluated the performance of the non-independent directors of the board including Whole time Director. The minutes of the meeting were placed before the board and board affirmed the same. The Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 and SEBI(LODR) Regulations, 2015 is enclosed herewith as 'Annexure-6'.

31. Performance Evaluation

The Board has carried out an annual evaluation of its own performance, performance of its Committees and of the directors individually, as per the criteria laid down by the Nomination and Remuneration Committee. The evaluation was carried out based on various parameters such as the participation in the Board & and its Committee meetings, contribution towards accurate financial reporting, strategic guidance, risk mitigation, internal controls, governance, leadership and talent development and managing external stakeholders. During the year under review, Mr. Surjit Singh and Mrs. Malkeet Kaur, met on March 30th 2022, without the presence of non-independent directors and members of the management, to discuss the evaluation of the Board, Committees and the Non-Executive Directors. The discussions covered both strategic and operational aspects of the Board functioning, as well as the quality, content and timeliness of the flow of information between the Management and the Board. The inputs from the meeting were shared with the Nomination and Remuneration Committee (Regulation 25 of the Listing Regulations).

The performance evaluation of the Independent Directors was carried out by the entire Board.

Remuneration to Directors:

i) **Executive Directors:** The Managing Director and Whole-time Director shall be eligible for remuneration, as may be approved by the shareholders of the Company on the recommendation of the NRC Committee and the Board of Directors. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Companies Act, 2013.

ii) **Non-Executive/Independent Director:** The Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or Committee thereof, as approved by the Board.

Details of the remuneration, sitting fees etc. paid/payable/entitlement to Directors for the year ended on March 31st 2022.

Name of the Director	Remuneration (in Rs.)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Sitting fees (in Rs.)	Total
Mr. Gian Chand Thakur	360000.00	-	-	360000.00
Mrs. Malkeet Kaur	-	-	10000.00	10000.00
Mr. Manoj Kumar	-	-	10000.00	10000.00
Mr. Surjit Singh	-	-	10000.00	10000.00

32. MANAGEMENT DISCUSSION & ANALYSIS:

The Management Discussion and Analysis Report is annexed herewith in 'Annexure-7' and form part of the Directors Report.

33. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed there under.

34. CREDIT RATING:

During the Financial Year 2021-22 no credit rating was there.

35. COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS

In the preparation of the Standalone IND AS financial statements, the Company has followed the Indian Accounting Standards ("IND AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, Companies (Indian Accounting Standards) Amendment Rules, 2017 and other accounting principles generally accepted in India. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.



36. Training/Familiarization of Board of Directors

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The details of familiarization programme have been posted in the website of the Company under the web link www.himachalfibre.com.

37. Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company under the web link www.himachalfibre.com.

38. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on March 30th 2022 to review the performance of Non-independent Directors (including the Chairperson) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

39. Code of Conduct for Board members and Senior Management

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Declaration of the same is annexed herewith in 'Annexure-8'. The Code of Conduct is available on the website of the company.

40. ENTERPRISE RISK MANAGEMENT

The Company's Enterprise Risk Management Processes ensures that the management controls risks through means of a properly defined framework. The risks are reviewed periodically by the Whole time Director and the Chief Financial Officer through an established Enterprise Risk Management Framework and also annually by the Board of Directors.

41. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Company is not exposed to any of these risks.

42. OUTSTANDING GDRs/ADRs WARRANTS OF ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

43. POLICY FOR PRESERVATION OF DOCUMENTS

In accordance with regulation 9 of SEBI (Listing Obligations and Disclosures) Regulations, 2015 the board has adopted a policy for preservation of documents which has been uploaded on the website of the company under the web link www.himachalfibre.com.

44. ARCHIVAL POLICY

In accordance with regulation 30 (8) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 an archival policy has been adopted which has also been uploaded on the website of the company under the web link www.himachalfibre.com.

45. RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified Company Secretary in practice carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. This Reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The Audit Report, inter alia, confirms that the total listed and paid-up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

46. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, were in the ordinary course of business and were on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

HIMACHAL FIBRES LIMITED



The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.himachalfibre.com.

47. STRICTURES OR PENALTIES

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

During the year the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit. The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

48. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. Further in accordance with requirement of Para C 10 (c) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 affirmation is also given that no personnel has been denied access to audit committee. The details of the Whistle Blower Policy is explained posted on the website of the Company at www.himachalfibre.com.

49. Compliances & other disclosures

Mandatory Requirements

The Company has fully complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of non-mandatory requirements under Listing Agreement

The Board:

Since the company have a non executive Chairperson a separate office is maintained at Registered office of the company along with a separate office at Corporate office at 8-L, Model Town, Backside Hotel Chevron Ludhiana-141002 (Punjab).

POLICY FOR DETERMINATION OF MATERIALITY OF THE DISCLOSURE OF EVENTS & INFORMATION

In accordance with regulation 30 (4) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 a policy has been adopted regarding disclosures of any events or information which, in the opinion of the board of directors is material and the same is also available on the website of the company i.e. www.himachalfibre.com.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE:

M/s Rajeev Bhambri & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith in 'Annexure-9'.

DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

Details relating to fees paid to the Statutory Auditors are given in Note 29 (a) to the Financial Statements.

GENERAL BODY MEETING

The details of last three Annual General Meeting of the Company held are given below:

Financial Year	Location of the Meeting	Date	Time	No. of Special Resolution passed
2018-2019	Registered Office at Barotiwala	27.09.2019	11:00 A.M	0
2019-2020	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	28.09.2020	04:30 P.M	1

HIMACHAL FIBRES LIMITED



2020-2021	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	28.09.2021	04:30 P.M	0
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RESOLUTION PASSED THROUGH POSTAL BALLOT

No resolution was passed Through Postal Ballot in the year under review.

MEANS OF COMMUNICATION

Annual Reports in respect of each financial year are mailed to the shareholders whose email IDs are registered with the company. Each Report contains the annual accounts of the company in respect of the financial year with the Directors' and Auditors' Reports. Also included in each Annual Report is the Notice convening the annual general meeting, the financial year's and the cash flow statement together with the corresponding reports of the auditors.

The quarterly, half-yearly and annual financial results were/will be published in eminent daily newspapers like **Business Standard** (English & Hindi) and also displayed on Company's website: www.himachalfibre.com.

SHAREHOLDER INFORMATION

Registered Office	:	Plot no. 43-44, Industrial Area, Barotiwala-174 103, (Himachal Pradesh) Telephone No. – 0161-4684000 Fax No. – 0161-4684010 Email: hfl.corporate@gmail.com
Corporate Office	:	8-L, Model Town, Backside Hotel Chevron Ludhiana-141002 (Punjab) Telephone No. – 0161-4684000 Fax No. – 0161-4684010 Email: hfl.corporate@gmail.com

REGISTRAR AND TRANSFER AGENT

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

BEETAL Financial & Computer Services Pvt Ltd.

BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062 Ph. 011-29961281-283 Fax 011-29961284, Email: beetalrta@gmail.com

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

PLANT LOCATION

Plot No.43-44, Industrial Area, Barotiwala-174 103 (Himachal Pradesh)

Shareholders Rights:

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website www.himachalfibre.com. Hence, these are not individually sent to the Shareholders.

Reporting of Internal Auditor:

The internal auditor reports to audit committee.

General Shareholders Information

Annual General Meeting

Date	:	September 14 th 2022
Day	:	Wednesday
Time	:	04.30 P.M
Venue	:	Though Video Conferencing/ Other Audio Visual Means

HIMACHAL FIBRES LIMITED



FINANCIAL CALENDAR

Financial Year : 1st April to 31st March

Financial results were announced on:

- o June 2021 : First Quarter
- o November 2021 : Second Quarter
- o February 2022 : Third Quarter
- o June 2022 : Audited Results

Book Closure

The dates of book closure are from September 08th 2022 to September 14th, 2022 (inclusive of both days).

Demat ISIN Number for NSDL and CDSL : INE723D01021

Listing

At present, the equity shares of the company are listed on the BSE Limited (BSE).

Stock Exchanges	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Demat Segment - 514010

SHARE TRANSFER SYSTEM

The Company's shares are in Demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

Stock Market Data

Market Price Data as compared to closing Sensex during 2021-22:

Month	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Close
Apr-21	2.21	1.27	1.39	42865	167	48782.36
May-21	2.86	1.43	2.86	82787	209	51937.44
Jun-21	3.83	2.91	3.39	197513	441	52482.71
Jul-21	6.03	2.75	6.03	366883	767	52586.84
Aug-21	6.64	3.6	4.23	264174	817	57552.39
Sep-21	5.11	3.82	4.61	313946	1264	59126.36
Oct-21	5.56	3.99	4.18	396996	1279	59306.93
Nov-21	4.59	3.81	4.15	252753	1276	57064.87
Dec-21	6.72	3.65	6.72	701458	2731	58253.82
Jan-22	10.37	6.04	6.99	609746	2065	58014.17
Feb-22	8.86	5.77	6.33	415274	2219	56247.28
Mar-22	7.2	5.24	5.51	383323	1829	58568.51

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022.

Shareholding	Holders	Percentage %	No of shares	Percentage %
UP TO 5000	4765	96.34	2519723	2.92
5001 TO 10000	88	1.77	626392	0.72
10001 TO 20000	34	0.68	509706	0.59
20001 TO 30000	15	0.30	374573	0.43
30001 TO 40000	5	0.10	168471	0.19

HIMACHAL FIBRES LIMITED



40001 TO 50000	8	0.16	363515	0.42
50001 TO 100000	10	0.20	662550	0.76
100001 AND ABOVE	21	0.42	81025070	93.94

DEMATERIALIZATION OF SHARES:

As on March 31st 2022, 96.24% of the capital comprising 83006500 shares, out of total of 8, 62,50,000 shares were dematerialized.

ADDRESS OF CORRESPONDENCE

Shareholders may contact:

Mrs. Laxmi Khatri (Company Secretary) at

Registered Office & Works

:

Plot No.43-44, Industrial Area,
Barotiwala-174 103 (Himachal Pradesh)

Corporate Office

:

8-L, Model Town, Backside Hotel
Chevron Ludhiana-141002 (Punjab)
Telephone No. – 0161-4684000
Fax No. – 0161-4684010
Email: hfl.corporate@gmail.com

50. APPRECIATION AND ACKNOWLEDGEMENTS

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

51. CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

Place: Ludhiana

Dated: August 13th 2022

**For and behalf of the Board
For Himachal Fibres Limited**

Sd/-

(Surjit Singh)

Chairperson

DIN: 07143372

Annexure- 1

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
HIMACHAL FIBRES LIMITED,
Plot No. 43-44, Industrial Area,

HIMACHAL FIBRES LIMITED



Barotowala, HP-174103
CIN: L17119HP1980PLC031020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Himachal Fibres Limited (CIN: L17119HP1980PLC031020) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:
 - All labour & industrial laws;
 - The Competition Act, 2012;
 - All environmental laws;
 - Textiles (Consumer Protection) Regulations, 1988;
 - Textiles (Development and Regulation) Order, 2001;
 - Textiles Committee Act, 1963;
 - Additional Duties of Excise (Textiles and Textiles Articles) Act, 1978.
 - Indian Boilers Act, 1923

HIMACHAL FIBRES LIMITED



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except as detailed below:

Company is not regular in depositing the statutory payments as required under Income Tax Act, 1961, Employee's State Insurance Act, 1948, Himachal Pradesh Sales Tax Act, Employee's Provident Fund Act, 1952 and Finance Act, 2005.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review. Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the relevant provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc, except as detailed below:

Company has also defaulted in payment of interest and installment of dues to SBI and the Account has been declared as NPA.

For Rajeev Bhambri & Associates

Place: Ludhiana
Dated: 11.08.2022
UDIN: F004327D000779629C.P. No. 9491

(Rajeev Bhambri)
Proprietor
Company Secretary in Whole Time Practice

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

'ANNEXURE A'

To,

**The Members,
Himachal Fibres Limited,
Plot No. 43-44, Industrial Area,
Barotiwala. (Himachal Pradesh)**

HIMACHAL FIBRES LIMITED



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

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ludhiana
Dated: 11.08.2022
UDIN: F004327C000785646

Sd/-
(Rajeev Bhambri)
Rajeev Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 9491

Annexure- 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L17119HP1980PLC031020
	Foreign Company Registration Number/GLN	N.A.
	Registration Date [DDMMYY]	20/02/1980
ii)	Category of the Company	Public Company
iii)	Sub Category of the Company	Limited by shares
iv)	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	Yes BSE Limited
v)	AGM details-	41st AGM held on 14 th September, 2022 at 04:30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
	Whether extension of AGM was granted – Yes / No. (If yes, provide reference number , date of approval letter and the period upto which extension granted)	NO
	If Annual General Meeting was not held, specify the reasons for not holding the same	NA
Vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
	Company Name	HIMACHAL FIBRES LIMITED

HIMACHAL FIBRES LIMITED



Address	Plot No.43-44, Industrial Area, Barotiwala-174 103 (Himachal Pradesh)
Town / City	Barotiwala, Distt. Solan
State	Himachal Pradesh
Pin Code:	174103
Country Name :	India
Country Code	+91
Telephone (With STD Area Code Number)	0161-4684000
Fax Number :	0161-4684010
Email Address	hfl.corporate@gmail.com
Website	http://www.himachalfibre.com/
Name of the Police Station having jurisdiction where the registered office is situated	Barotiwala, Tehsil Nalagarh
Address for correspondence, if different from address of registered office:	8-L, Model Town, Backside Hotel Chevron, Ludhiana-141002 (Punjab)
Vii) Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.	
Registrar & Transfer Agents (RTA):-	Beetal Financial & Computer Services Pvt. Ltd
Address	Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062
Town / City	New Delhi
State	New Delhi
Pin Code:	110062
Telephone (With STD Area Code Number)	011 - 29961281 / 29961282-83
Fax Number :	011 – 29961284
Email Address	beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.NO.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	TEXTILE	131-SPINING, WEAVING AND FINISHING OF TEXTILES	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

- N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2021]	No. of Shares held at the end of the year[As on 31-March-2022]	% Change

HIMACHAL FIBRES LIMITED



									during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	the year
A. Promoters									
(1) Indian									
a) Individual/ HUF	7000000		7000000	8.12	7000000		7000000	8.12	
b) Central Govt	-		-	-	-		-	-	
c) State Govt(s)	-		-	-	-		-	-	
d) Bodies Corp.	40041500		40041500	46.42	40041500		40041500	46.42	
e) Banks / FI	-		-	-	-		-	-	
f) Any other	-		-	-	-		-	-	
Total shareholding of Promoter (A)	47041500	0	47041500	54.54	47041500	0	47041500	54.54	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4000	-	4000	-	4000	-	4000	-	-
b) Banks / FI	-	140500	140500	0.16	-	140500	140500	0.16	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-

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h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4000	140500	144500	0.17	4000	140500	144500	0.17	0
2. Non-Institutions									
a) Bodies Corp.	25348482	1603000	26951482	31.25	25344662	1603000	26947662	31.24	0.01
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2939624	1500500	4440124	5.148	3193637	1500000	4693637	5.44	-0.29
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7321468	-	7321468	8.4887	7075770	-	7075770	8.2	0.29
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	149849	-	149849	0.17	115096	-	115096	0.03	0.14
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	4031	-	4031	-	33614	-	33614	0.04	0.04
Trusts	-	-	-	-	-	-	-	-	-

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HUF	197046	-	197046	0.23	198221	-	198221	0.23	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	35960500	3103500	39064000	45.29	35961000	3103000	39064000	45.29	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	35964500	3244000	39208500	45.46	35965000	3243500	39208500	45.46	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	83006000	3244000	86250000	100.00	83006500	3243500	86250000	100.00	0.00

(ii) Shareholding of Promoters

SN.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mayank Malhotra	2000000	2.32	-	2000000	2.32	-	-
2	Akhil Malhotra	5000000	5.79	-	5000000	5.79	-	-
3	Balmukhi Textiles Pvt. Ltd.	13180500	15.28	-	13180500	15.28	-	-
4	Brijeshwari Textiles Pvt.Ltd.	13180500	15.28	-	13180500	15.28	-	-
5	Shiva Spinfab Pvt Ltd	13680500	15.86	-	13680500	15.86	-	-
	TOTAL	47041500	54.54	-	47041500	54.54	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is No Change in Promoters' Shareholding during the year 2021-22.

(iv) Shareholding Pattern of top ten Shareholders as on 31.03.2022 (other than Directors, Promoters and Holders of GDRs and ADRs):

S. NO.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HIMACHAL YARNS LIMITED					
		At the beginning of the year	9610050	11.14	9610050	11.14
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		9610050	11.14	9610050	11.14
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	

HIMACHAL FIBRES LIMITED



2	SHIV NARAYAN INVESTMENTS PVT LTD		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		8999750	10.43	8999750	10.43
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		8999750	10.43	8999750	10.43
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
3	GARG FINCAP LIMITED		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		6715000	7.79	6715000	7.79
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		6715000	7.79	6715000	7.79
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
4	RAMESH KUMAR		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		3750000	4.35	3750000	4.35
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		3750000	4.35	3750000	4.35
5	ROMESH K. AGGARWAL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		2258837	2.61	2258837	2.61
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		2258837	2.61	2258837	2.61
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
6	SALASAR INDUSTRIAL INVESTMENT P.LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		698000	0.81	698000	0.81
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		698000	0.81	698000	0.81
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
7	SOLI ARDESHIR KARANJIA		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		382591	0.44	382591	0.44
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		382591	0.44	382591	0.44
S. NO.	For Each of the Top 10 Shareholders		Shareholding	Cumulative		

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			during the year	Shareholding during the Year		
8	SKYLAND TRADING CO. LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		275000	0.32	275000	0.32
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		275000	0.32	275000	0.32
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year	Cumulative Shareholding during the Year		
9	JYOTI TRADE & CREDIT P. LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		250000	0.29	250000	0.29
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		250000	0.29	250000	0.29
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year	Cumulative Shareholding during the Year		
10	SACHIN AMOLKUMAR MEHTA .		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		238000	0.27	238000	0.27
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		238000	0.27	238000	0.27
11	CHERUKARA SAM SAMUEL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		268267	0.31	268267	0.31
Date	Increase/ Decrease	Reason				
17-Sep-21	Decrease	Sell	-29316	0.27	238951	
08-Oct-21	Decrease	Sell	-5600	0.27	233351	
10-Dec-21	Decrease	Sell	-10700	0.25	222651	
17-Dec-21	Decrease	Sell	-7650	0.24	215001	
	At the end of the year		215001	0.24	215001	0.24

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	GIAN CHAND THAKUR (Whole time Director)				
	At the beginning of the year	-	-	-	-

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Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
At the end of the year			-	-	-	-
2 MALKEET KAUR (Director)						
At the beginning of the year			-	-	-	-
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
At the end of the year			-	-	-	-
3 MANOJ KUMAR (Director)						
At the beginning of the year			-	-	-	-
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
At the end of the year			-	-	-	-
4 SURJIT SINGH (Director)						
At the beginning of the year			-	-	-	-
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
At the end of the year			-	-	-	-
5 Laxmi Khatri (KMP) (Company Secretary)						
At the beginning of the year			-	-	-	-
Date	Increase/ Decrease	Reason				
NIL	NIL	NIL	NIL	NIL	NIL	NIL
At the end of the year			-	-	-	-
6 NAVRATTAN SHARMA (KMP) (CFO)						
At the beginning of the year			-	-	-	-
Date	Increase/ Decrease	Reason				Date
NIL	NIL	NIL	NIL	NIL		NIL
At the end of the year			-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
i) Principal Amount	35958015.00	52500000.00	-	88458015.00
ii) Interest due But not paid	591045.00	-	-	591045.00
iii) Interest Accrued but not due	-	-	-	-
Total(i+ii+iii)	36549060.00	52500000.00	-	89049060

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change in indebtedness during the financial year				
*Addition	208631.00	-	-	208631.00
*Reduction	10675757.00	-	-	10675757.00
Net Change	-	-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	26081934.00	52500000.00	-	78581934.00
ii) Interest due But not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
Total(i+ii+iii)	26081934.00	52500000.00	-	78581934.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		WTD	-	
		GIAN CHAND THAKUR		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	360000.00	-	360000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit- others, specify...	-	-	
5	Others, please specify		-	
	Total (A)	360000.00		360000.00
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors:

SN.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS			TOTAL AMOUNT
		MALKEET KAUR	MANOJ KUMAR	SURJIT SINGH	
1	Independent Directors				
	Fee for attending board & committee meetings	10000.00	-	10000	20000.00
	Commission	-	-	-	-
	Others, please specify				
	Total (A)	10000.00	-	10000	20000.00
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board & committee meetings	-	10000.00	-	10000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (B)	-	10000.00	-	10000.00
	Total Managerial Remuneration (A)+(B)	10000.00	10000.00	10000	30000.00
	Overall Ceiling as per the Act	-	-		-

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS (Laxmi Khatri)	CFO (NAVRATTAN SHARMA)	Total
1	Gross salary	180000.00	629583.00	809583.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	180000.00	629583.00	809583.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
The annual return of the company is available at company's website i.e. www.himachalfibre.com					

Annexure- 3 FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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There were no contracts or arrangements or transactions entered into during the year ended on March 31st 2022, which were not at Arm's Length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Amount (in Rs. Lacs)
NIL					

Annexure- 4

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

(A) Conservation of Energy –

- i. **The steps taken or impact on conservation of Energy** – Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution system and through improved operational techniques.
- ii. **The steps taken by the company for utilizing alternate sources of energy** : NIL
- iii. **The capital investment on energy conservation equipments** – Due to Industry scenario and inadequate profits in previous year's company was not able to spend any money on equipments for energy conservation.

(B) Technology absorption –

- i. **The efforts made towards technology absorption;**
The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.
- ii. **The benefit derived like product improvement, cost reduction, product development or import substitution:** NONE
- iii. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :**
NONE
 - a. The details of technology imported;
 - b. The year of import;
 - c. Whether the technology been fully absorbed;
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. **The expenditure incurred on Research and Development:** No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.

(C) FOREIGN EXCHANGE EARNING AND OUTGO

	2021-22 (12 Months) (Rs./Lacs)	2020-21 (12 Months) (Rs./Lacs)
a) Earning (Export Sales- FOB Value)	NIL	NIL
b) Outgo:		
i) Imports-Raw Material & Spares	NIL	NIL
Capital Goods	NIL	NIL
ii) Expenditure	NIL	NIL
c) Net Foreign Exchange Earnings	NIL	NIL

Annexure – 5

1. INFORMATION REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars	Status	
	NAME	NUMBER OF TIMES
i. The ratio of the remuneration of each Director to median remuneration of the employees of the company for F. Y. 2021-22	Mr. Gian Chand Thakur	-50.00
	Mrs. Malkeet Kaur	00.11
	Mr. Manoj Kumar	00.11
	Mr. Surjit Singh	00.11



ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year	DIRECTOR	%
		Mr. Gian Chand Thakur	-14.67%
		Mrs. Malkeet Kaur	0%
		Mr. Manoj Kumar	0%
		Mr. Surjit Singh	0%
iii.	The percentage increase in the median remuneration of employees in the financial year	CFO	
		Mr. Navrattan Sharma	41.24%
iv.	The number of permanent employees on the rolls of company as on March 31 st 2022	COMPANY SECRETARY	
		Mrs. Laxmi Khatri	-2.91%
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average decrease for Key Managerial Personnel is (11.67%) and for other employees were about 17.74. There is no exceptional increase in remuneration of Key Managerial Personnel.	
		vi.	Affirmation that the remuneration is as per the remuneration policy of the company

2. There was no employee in receipt of remuneration as mentioned in Rule 5(2)(i), (ii), (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure – 6

Nomination and Remuneration Policy

APPLICABILITY

The policy is applicable to the Board of Directors, Key Managerial Personnel (KMP), Chief Operating Officer, and Senior Management Personnel (herein after collectively referred as Managerial Personnel) or such other persons of the Company as the committee may deems fit for that purpose.

INTERPRETATION

‘Board’ shall mean the Board of Directors of the Company, which comprising all executive, non executive, independent director and nominee director.

‘Chief Executive Officer’ means an officer of a company, who has been designated as such by it;

‘Chief Operating Officer’ shall mean an employee who has been entrusted responsibility of managing any one or more of Units of the Company.

‘Chief Financial Officer’ means a person appointed as the Chief Financial Officer of a company

‘Compliance Officer’ means “Company Secretary” of the Company.

‘Key Managerial Personnel’ in relation to a company, means—

- ❖ Managing Director, or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- ❖ Company Secretary; and
- ❖ Chief Financial Officer; and

Such other officer as may be prescribed;

‘The Company’ shall mean Himachal Fibres Limited.

‘Executive Director’ shall mean and include Company’s Managing Director, Functional Directors, and such other Directors are in full time employment of the Company.



'Independent Director' shall have same meaning as provided in Companies Act, 2013 read with SEBI (LODR) Regulations, 2015.

'Non-Executive Director' shall mean those members on Board who are not in whole time employment of the Company.

'Senior Management Personnel' shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

ROLE OF THE COMMITTEE

The role of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become directors, persons who may be appointed in senior management in accordance with the criteria and to recommend to the Board for their appointment and / or removal
2. To carry out evaluation of every director's performance
3. To establish criteria and processes for, and assist the Board and each of its Committees in their performance evaluations
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
5. To recommend / review remuneration of the Managing Director(s) and Whole time Director(s), based on their performance and defined assessment criteria
6. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including
 - ❖ the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate
 - ❖ the conditions under which option vested in employees may lapse in case of termination of employment for misconduct
 - ❖ the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period
 - ❖ the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee
 - ❖ the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period
 - ❖ the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others
 - ❖ the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options
7. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
8. To perform such other functions as may be necessary or appropriate for the performance of its duties

IMPLEMENTATION OF POLICIES

The Committee will seek to ensure that the remuneration of executive directors (consisting of basic salary, pension benefits and benefits in kind) will be competitive with those in other comparable organizations so as to attract high caliber individuals with relevant experience.

The Committee will ensure that part of the remuneration of executive directors will be based on the financial performance of the Group using predetermined targets so as to motivate and reward successful business performance in the interest of shareholders.

AUTHORITY

The Committee is authorized:

- ❖ to seek any information it requires from any employee of any company within the Group in order to perform its duties;
- ❖ to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- ❖ to call any member of staff to be questioned at a meeting of the Committee as and when required.

FREQUENCY OF MEETINGS

The Committee shall meet as per the requirement of Companies Act, 2013 rules made there under read with requirement of SEBI (LODR) Regulations, 2015.

PRESENCE IN ANNUAL GENERAL MEETING



The Chairperson of the Committee or, in his absence any other member of the committee as authorized shall attend the Annual General Meeting.

ANNUAL AFFIRMATION

The policy shall be disclosed in the Board Report of the Company.

CRITERIA TO EVALUATE PERFORMANCE

a) Selection Criteria for Directors

The Company shall consider the following aspects while appointing a person as a Director on the Board of the Company.

Skills and Experience: The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business.

Age Limit: The candidate should have completed the age of twenty-one (21) years and should not have attained the age of eighty (80) years. In case any director has attained age of 80 years he can be appointed as director with the permission of board.

Conflict of Interest: The candidate should not hold Directorship in any competitor company, and should not have any conflict of interest with the Company.

Directorship: The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Act or under the SEBI (LODR) Regulations, 2015 requirements.

Independence: The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act or under the SEBI (LODR) Regulations, 2015 requirements.

b) Selection Criteria for Senior Management

As per Selection Criteria Senior Management shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions.

The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

c) Remuneration for Directors, KMP and other Employees

The policy provides that the remuneration of Directors, KMP and other employees shall be based on the following key principles:

- **Pay for performance:** Remuneration of Executive Directors, KMP and other employees is a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal. The sitting fee shall be paid to Non-Executive Directors to be decided by the Board from time to time.
- **Balanced rewards to create sustainable value:** The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation.
- **Competitive compensation:** Total target compensation and benefits are comparable to peer companies in the textile industry and commensurate to the qualifications and experience of the concerned individual.
- **Business Ethics:** Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest.

d) Performance Evaluation

The process approved by the Nomination and Remuneration Committee requires the Chairperson to initiate the performance evaluation process in the month of April every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

- a) **Board:** Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairperson of the Company. The Chairperson discusses with the entire Board at the Board Meeting.
- b) **Committees:** Each Committee member completes the self-evaluation form and shares feedback with the Chairperson of the Committee. The Chairperson of the Committee discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.



- c) **Chairperson and Executive Directors:** Each Board member completes the peer evaluation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairperson. The Chairperson conveys feedback individually to the concerned Directors.
- d) **Independent Directors:** Each Board member completes the peer evaluation and shares feedback with the Chairperson. The Chairperson conveys feedback individually to the concerned Directors.

AMENDMENT

The member of the Nomination and Remuneration Committee of the Company has the right to amend or modify this policy in whole or in part, at any time without assigning any reason, whatsoever.

Annexure – 7

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDIAN ECONOMY

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy. This paper deals with structure, growth and size of the Indian textile industry, role of textile industry in economy, key advantages of the industry, textile industry export and global scenario and strength, weakness, opportunities and treats of the Indian textile industry. The last two years the country's economy has seen turbulence and uncertainty in terms of COVID19. Economic activity which was recovering with the ebbing of the third wave, rapid stride towards universal vaccination, and supportive fiscal and monetary policies now faces significant headwinds from the exacerbating geopolitical developments and the accompanying sharp rise in global commodity prices and weakening global growth outlook. The global recovery from the COVID-19 pandemic is turning out to be muted relative to earlier expectations. Downside risks to even this subdued recovery have jumped significantly from the escalation of geopolitical tensions, which have led to a broad-based increase in global commodity prices and are expected to have a large negative impact on global trade and growth. Growth and inflation outcomes are at high risk across the world as well as in India. In the face of this extraordinary risk, the positive effects expected from the release of pent-up demand, especially for contact-intensive services, the government's thrust on infrastructure and capital expenditure, congenial financial conditions and improving capacity utilization appear ephemeral.

INDIAN TEXTILE INDUSTRY

The market in India is majorly driven by the easy availability of abundant raw materials, such as cotton, silk and, wool, etc, across India that are widely used for manufacturing apparel. Furthermore, the increasing investments by the government of India (GoI) in the upgradation of the textile infrastructure by the widespread integration of advanced technologies with the production processes such as the Scheme for Integrated Textile Parks and the Technology Up gradation Fund Scheme, are creating a positive outlook for the market. Moreover, the availability of cheap labor at a cheap cost is another factor contributing to market growth. Additionally, increasing penetration of high-speed internet has catalyzed tend the rapid expansion of online retail channels acrossing in the country are also , thereby providing a boost to the market growth.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Accelerated reopening of activities have re-opened opportunities for the textile market which were quiet for a long time. Further, China plus one policy by USA and Europe will lead to increase in demand for the Indian Market. With an added advantage of high quality standards and globally renowned accreditations, our Company will be forging ahead with its sustainability vision to build potential so as to grab opportunities coming its way. Currently the biggest threat is the enormous increase in cotton prices leading to high finished good prices. Consumers are therefore shifting their focus from cotton to man-made fibres. Further, increase in prices of other commodities such as coal, dyes and chemicals is also making the industry non-competitive.



OUTLOOK

India's economy rebounded quickly from a steep contraction in 2020, but a severe second wave of the coronavirus has increased risks to the outlook with potential larger-term credit implications. Risk to India's credit profile, including a persistent slow-down in growth, weak government finances and rising financial sector risk, have been exacerbated by the shock. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances. The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process and internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

HEALTH AND SAFETY MEASURES

The Company has health and workplace safety programs in place and has established policies and procedures aimed at ensuring compliance with applicable laws/legislative requirements. The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has been adopting methods and practices for Human Resources development. With utmost respect to human values, the Company continues to develop its human resources, through appropriate trainings, workshops, motivation/leadership techniques and employee welfare activities at regular intervals.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future based on subsequent developments, information or events.

Annexure – 8

Declaration by the Whole time Director under the Listing Regulations regarding compliance with Code of Conduct

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31st 2022.

Sd/-

Place: Ludhiana
Date: August 13th 2022

Gian Chand Thakur
Whole time Director
DIN: 07006447



HIMACHAL FIBRES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIMACHAL FIBRES LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **HIMACHAL FIBRES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2022, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

a. We draw attention to Note 47 to the standalone financial results, which describes the uncertainties and the impact of second wave of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

b. We draw attention to Note 5 to the standalone financial results, which describes that the Company has made assessment of the inventories carried during the year under review on the basis its nature and ageing. On the basis of its assessment the company has identified inventories amounting to Rs.1057.40 Lakhs as slow moving inventories and segregated it under the head "Other non current assets" in the Statement of Assets & Liabilities as at 31st March 2022.

Our Opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



HIMACHAL FIBRES LIMITED

Key Audit Matter	Auditor's Response
<p>The company has shown Trade Receivables-Unsecured, Considered good amounting to Rs.727.69 Lakhs as Other Non-Current Assets. See Note 4 of the standalone financial statements.</p>	<p>The procedures performed included the following among others:</p> <ul style="list-style-type: none"> • Understood the management processes, assumptions and controls with regard to testing, evaluating and identifying the Trade Receivables as Non-Current Assets. • Obtaining external confirmation as per SA 505. • Management has determined that there is no impairment loss which needs to be provided for. • Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.

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 Corporate Governance Report and Directors' Report, including annexures thereon, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS financial statements 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the Standalone Ind AS Financial Statements

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

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



HIMACHAL FIBRES LIMITED

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in



HIMACHAL FIBRES LIMITED

agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial statements; refer Note 30 to the standalone Ind AS financial statements.

ii. The company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

FORMANJUL MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 028039N

DATED: 30.05.2022
PLACE: LUDHIANA

MANJUL MITTAL
PARTNER
(M.NO.500559)
UDIN:22500559AKLRDR7390



HIMACHAL FIBRES LIMITED

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of **M/s Himachal Fibres Limited** (“the Company”) for the year ended March 31, 2022:

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

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company has no intangible assets for the year ended March 31, 2022.

(b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii)(a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

b) The company has not submitted any quarterly returns or statements of current assets with State Bank of India since the accounts of the company has been classified as NPA by the State bank of India as on 31.03.2021. Therefore, reporting under clause 3(ii)(b) of the Order is not applicable.

iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties.

iv) In our opinion and according to the information and explanations given to us, the provisions of sections 185 and 186 of the Companies Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees, and securities given have been complied with by the company.

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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or not.

vii) (a) In our opinion, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except following:-



HIMACHAL FIBRES LIMITED

S.No.	Statute	Nature	Amount in Lakhs
1	Income Tax Act, 1961	Income Tax (FY 2012-13)	21.84
2	Himachal Pradesh Sales Tax Act	Works Contract Tax Payable	1.36
3	Employee's State Insurance Act, 1948	E.S.I. Payable	3.74
4	Employee's Provident Fund Act, 1952	EPF Payable	14.14
5	Finance Act, 2005	Service Tax Payable	0.04
6	Income Tax Act, 1961	TDS/TCS Payable	1.19

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

S.No.	Statute	Nature	Amount in Lakhs
1.	Income Tax Act, 1961	Income Tax (FY16-17)	350.93
2.	Income Tax Act, 1961	Income Tax (FY17-18)	4.62

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

ix) (a) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of loans/borrowings and interest thereon to the lenders detailed as below:-

(Amount in Lakhs)

Nature of borrowing/debt securities	Name of Lender	Amount not paid as on 31.03.2022	Whether Principal or Interest	No. of days delay or unpaid	Remarks
CC/WCTL	State Bank of India	1762.31	Principal	Declared NPA as on 31.03.2021.	State Bank of India vide its letter No.SAMB/HFL/2021-22/958 dated 28.03.2022 has sanctioned Compromise settlement amount of Rs.17.72 crores against principal outstanding of Rs.19.63 crores and total dues of Rs.21.06 crores in full & final settlement of the account repayable in various installments till 28.02.2023.
		194.82	Interest		

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

(c) The Company has not raised any fresh term loan during the year. Term loan outstanding at the beginning of the year were also declared NPA by State Bank of India as on 31.03.2021, therefore, the provisions of clause 3 (ix) (c) of the Order could not be commented upon.

(d) The Company has not raised any fresh short term loan during the year. Cash Credit Facilities raised before the beginning of the year were also declared NPA by State Bank of India as on 31.03.2021, therefore, the provisions of clause 3 (ix) (d) of the Order could not be commented upon.

(e) The company has no subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3 (ix) (e) of the Order are not applicable to the Company and hence not commented upon.

(f) The company has no subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3 (ix) (f) of the Order are not applicable to the Company and hence not commented upon.



HIMACHAL FIBRES LIMITED

x)(a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer(including debt instruments) during the year under review. Accordingly, the provisions of clause 3 (x) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully partially or optionally convertible) during the year. Accordingly, the provisions of clause 3 (x) (b) of the Order are not applicable to the Company and hence not commented upon.

xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company has been noticed or reported during the year.

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

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii) Since the Company is not a Nidhi Company, therefore, the provisions of clause (xii) (a), (xii) (b) and (xii) (c), of the Order are not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act.

xvi) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934) and accordingly, the provisions of clause 3 (xvi)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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

xvii) The Company has incurred cash losses of Rs.519.90 Lakhs during the financial year covered by our audit and Rs.373.17 Lakhs in the immediately preceding financial year.

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

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

xx) Section 135 of the Companies Act is not applicable to the company, therefore reporting under clause 3(xx) of the Order is not applicable.

FORMANJUL MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 028039N

DATED: 30.05.2022
PLACE: LUDHIANA

MANJUL MITTAL
PARTNER
(M.NO.500559)
UDIN:22500559AKLRDR739



HIMACHAL FIBRES LIMITED

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of M/s Himachal Fibres Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s Himachal Fibres Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

A company’s internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion



HIMACHAL FIBRES LIMITED

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FORMANJUL MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 028039N

DATED: 30.05.2022
PLACE:LUDHIANA

MANJUL MITTAL
PARTNER
(M.NO.500559)
UDIN:22500559AKLRDR7390



HIMACHAL FIBRES LIMITED

Himachal Fibres Limited

Notes to financial statements for the year ended 31st March 2022

1. Corporate Information

Himachal Fibres Limited (hereinafter referred to as "the Company") is a Company incorporated and domiciled in India with its registered office is at Plot No. 43-44, Industrial Area, Barotiwala, District Solan, Himachal Pradesh. Corporate identification number of the company is L17119HP1980PLC031020 and the company is engaged in the business of manufacturing and sale of cotton polyester yarn and knitted clothes.

2. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

(a) Basis of preparation and presentation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") including the rules notified under the Companies Act, 2013 amended from time to time.

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

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets. Or Employee's Defined Benefit Plan as per actuarial valuation.

(c) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is also the Company's the functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and judgment that affect the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The area involving significant estimates and judgments are:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Measurement of defined benefit obligations: key actuarial assumptions
- Estimation of useful lives of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- **Estimation uncertainty relating to the global health pandemic on COVID-19**

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the audited financial statements including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these audited financial statements and current indicators of future economic conditions.

(e) Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

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

- It is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date



HIMACHAL FIBRES LIMITED

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A Liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(f) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located and condition necessary for it to be capable of operating in

An item of property, plant and equipment and any significant part initially recognized the manner intended by management.. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-today repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Depreciation

Depreciation on property, plant and equipment has been provided on Straight line method in the manner and over the useful life of the assets prescribed under Part 'C' of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(g) Impairment

Impairment of financial assets

The Company recognizes loss allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default in payment within the due date;
- the restructuring of a loan or advance by the entity on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit



HIMACHAL FIBRES LIMITED

obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any) is held.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value on an appropriate discount factor.

(h) Inventories

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost in respect of different classifications of inventories is computed as under:

- in case of raw material, stores and spares, diesel and packing material at first-in-first-out (FIFO) cost method plus direct expenses.
- in case of work-in-progress at raw material cost (determined on FIFO cost method) plus appropriate portion of conversion cost and other overheads incurred depending upon the stage of completion.
- in case of finished goods at raw material cost (determined on FIFO cost method) plus conversion cost, packing cost and other overheads incurred to bring the goods up to their present location and condition.
- Saleable waste/ Scrap has been valued at estimated net realizable value.
- Goods/ material in transit are valued at realizable value to date.

(i) Foreign currency transactions

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of Profit and Loss

(j) Employee benefits

– Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

– Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.



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– Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed quarterly/annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(k) Revenue recognition

– Revenue from Sale of goods

- Revenue is measured at the fair value of the consideration received or receivable. Sales are recognized when the significant risks and rewards of ownership which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract and are recognized. Amounts disclosed as revenue is net of returns, trade discounts, Good and Service Tax (GST) and amount collected on behalf of third parties.
- The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the company.

– Revenue from other than sale of goods

- Revenue (other than sale) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Insurance claims are accounted for on an accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.

(l) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(m) Borrowing costs

Borrowing cost are interest and other costs incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

(n) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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

i) Right of use assets



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The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Particulars	Lease Term
Leasehold Land	99 Years

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

ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases except in case of lease contracts with related parties since there exist economic incentive for the Company to continue using the leased premises for a period longer than the 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economics of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased asset (i.e. reasonable certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

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

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

i. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)



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Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

ii. Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

iii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the



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EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Derivative financial instruments

Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies. The Company recognizes all derivatives as assets or liabilities measured at their fair value. The changes by marked to market then at each reporting date and the related gains (losses) are recognized in the Statement of Profit and Loss.

De-recognition of financial liabilities

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

(p) Measurement of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities

(r) Earning per share

Basic earning per share (EPS) are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share(EPS), the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(s) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the



HIMACHAL FIBRES LIMITED

occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the financial statements.

(t) Taxation

Income tax comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



HIMACHAL FIBRES LIMITED

Balance Sheet as at 31st March 2022

Particulars	Note No.	Amount (in Lakhs)	
		As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,419.30	1,671.42
(b) Capital Work in Progress		-	-
(c) Right-of-use assets	41	6.18	6.29
(d) Financial Assets			
(i) Others Financial Assets		-	-
(e) Deferred tax assets (net)		188.26	154.95
(f) Other non-current assets	4	1,813.14	2,518.01
		<u>3,426.88</u>	<u>4,350.67</u>
Current assets			
(a) Inventories	5	628.42	528.59
(b) Financial Assets			
(i) Trade receivables	6	1,171.98	334.35
(ii) Cash and cash equivalents	7	6.79	6.58
(c) Current Tax Assets (Net)	8	35.16	32.67
(d) Other Current Assets	9	183.17	242.02
		<u>2,025.52</u>	<u>1,144.21</u>
Total Assets		5,452.40	5,494.88
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	862.50	862.50
(b) Other Equity	11	1,054.81	1,722.12
		<u>1,917.31</u>	<u>2,584.62</u>
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	49.64	184.18
(ii) Other Long Term Liabilities	13	645.24	560.44
(b) Provisions	14	23.00	30.18
		<u>717.88</u>	<u>774.80</u>
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,762.31	1,857.21
(ii) Trade Payables	16	45.30	50.40
(iii) Other financial liabilities	17	370.55	170.88
(b) Other current liabilities	18	616.88	34.81
(c) Provisions	19	22.17	22.17
		<u>2,817.21</u>	<u>2,135.46</u>
Total Equity and Liabilities		5,452.40	5,494.88

For Manjul Mittal & Associates
Chartered Accountants
Firm Reg.No.028039N

Sd/-
MANJUL MITTAL
PARTNER
M.NO. 500559

Sd/-
GIAN CHAND THAKUR
(WHOLE TIME DIRECTOR)
DIN:07006447

Sd/-
MANOJ KUMAR
(DIRECTOR)
DIN:06872575

PLACE: LUDHIANA

Sd/-
NAVRATTAN SHARMA

Sd/-
LAXMI KHATRI
(COMPANY
SECRETARY)

Dated- 30th May, 2022

(CFO)



HIMACHAL FIBRES LIMITED

Himachal Fibres Limited

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

Particulars	Note No.	Amount (in Lakhs)	
		For the year ended 31.03.2022	For the year ended 31.03.2021
REVENUE			
Revenue from operations	20	2,728.98	1,454.40
Other Income	21	121.26	64.10
Total Income		2,850.24	1,518.50
EXPENSES			
Cost of materials consumed	22	1,479.84	172.78
Changes in inventories of finished goods and work-in-progress	23	526.32	344.68
Employee benefits expense	24	617.05	495.39
Finance costs	25	255.09	333.43
Depreciation expense	26	180.71	206.53
Other expenses	27	511.64	560.56
Total Expenses		3,570.65	2,113.37
Profit/ - Loss before exceptional items and tax		(720.41)	(594.87)
Exceptional items		-	-
Profit/ - Loss before tax		(720.41)	(594.87)
<u>Less: tax expense:</u>			
(1) Current tax		-	-
(2) Deferred tax		(33.31)	(91.04)
Profit/ - Loss for the period		(687.10)	(503.83)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		19.80	15.18
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		(667.30)	(488.65)
Earnings per equity share:			
(Nominal value of equity share - Rupee 1/-)			
Basic		(0.80)	(0.58)
Diluted		(0.80)	(0.58)

For Manjul Mittal & Associates
Chartered Accountants
Firm Reg.No.028039N

Sd/-

MANJUL MITTAL
PARTNER
M.NO. 500559

Sd/-
GIAN CHAND THAKUR
(WHOLE TIME DIRECTOR)
DIN:07006447

Sd/-
MANOJ KUMAR
(DIRECTOR)
DIN:06872575

PLACE :LUDHIANA
Dated- 30th May, 2022

Sd/-
NAVRATTAN SHARMA
(CFO)

Sd/-
LAXMI KHATRI
(COMPANY)



HIMACHAL FIBRES LIMITED

SECRETARY)

HIMACHAL FIBRES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2022

PARTICULARS	Amount (Rs. in Lakhs)	
	Figures at the end of Current Reporting Year 31.03.2022	Figures at the end of Previous Reporting Period 31.03.2021
A. <u>CASH FLOW FROM/USED IN OPERATING ACTIVITIES</u>		
NET PROFIT BEFORE TAX	(700.62)	(579.70)
<u>ADJUSTMENTS FOR:</u>		
DEPRECIATION	180.71	206.53
MISCELLANEOUS EXPENSES WRITTEN OFF	-	-
INTEREST EXPENSES	255.09	333.43
INTEREST INCOME	(0.52)	(0.68)
LOSS ON SALE OF ASSETS	7.88	48.23
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(257.46)	7.80
ADJUSTMENTS FOR:		
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(76.40)	(1,628.24)
(INCREASE)/DECREASE IN INVENTORIES	(99.82)	1,989.98
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	769.47	(363.80)
CASH GENERATED FROM OPERATIONS	335.78	5.75
INCOME TAX PAID	-	-
NET CASH FROM/USED IN OPERATING ACTIVITIES	335.78	5.75
B. <u>CASH FLOW FROM/USED IN INVESTING ACTIVITIES</u>		
PURCHASE OF FIXED ASSETS	(4.14)	(54.80)
SALE OF FIXED ASSETS	67.78	68.50
INTEREST RECEIVED	0.52	0.68
NET CASH FROM/USED IN INVESTING ACTIVITIES	64.16	14.38
C. <u>CASH FLOW FROM/USED IN FINANCING ACTIVITIES</u>		
(REPAYMENT) RECEIPT OF LONG TERM BORROWINGS	(49.74)	27.87
CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS	(94.90)	175.18
INTEREST PAID	(255.09)	(333.43)
NET CASH FROM/USED IN FINANCING ACTIVITIES	(399.73)	(130.37)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLAENTS	0.21	(110.24)
OPENING CASH AND CASH EQUIVALENTS	6.58	116.82
CLOSING CASH AND CASH EQUIVLAENTS	6.79	6.58

For Manjul Mittal & Associates
Chartered Accountants
Firm Reg.No.028039N

Sd/-

MANJUL MITTAL
PARTNER
M.NO. 500559

Sd/-
GIAN CHAND THAKUR
(WHOLE TIME DIRECTOR)
DIN:07006447

Sd/-
MANOJ KUMAR
(DIRECTOR)
DIN:06872575

Dated- 30th May, 2022
Place- Ludhiana

Sd/-
NAVRATTAN SHARMA
(CFO)

Sd/-
LAXMI KHATRI
(COMPANY SECRETARY)



HIMACHAL FIBRES LIMITED

Notes to Financial Statements for the Year Ended 31.03.2022

Amount (in Lakhs)

Note No	Description of assets	Gross carrying amount			Depreciation				Net carrying amount		
		As at 01.04.2022	Additions during the period	Disposal	As at 31.03.2021	Opening accumulated depreciation	Depreciation for the year	Eliminated on disposal of assets	Closing accumulated depreciation	As at 31.03.2022	As at 31.03.2021
3.	Property plant and Equipment at work										
	Freehold Land	0.82	-	-	0.82	-	-	-	-	0.82	0.82
	Total	0.82	-	-	0.82	-	-	-	-	0.82	0.82
	Buildings	1,304.75	-	-	1,304.75	703.79	34.62	-	738.41	566.34	600.96
	Plant and equipment	4,201.97	4.00	114.30	4,091.68	3,138.39	144.54	38.64	3,244.29	847.39	1,063.58
	Furniture and fixtures	18.34	0.14	-	18.48	18.07	0.03	-	18.10	0.38	0.26
	Vehicles	35.69	-	-	35.69	33.62	0.81	-	34.43	1.26	2.07
	Office equipments	6.29	-	-	6.29	5.98	-	-	5.98	0.31	0.31
	Computers	9.24	-	-	9.24	8.55	0.15	-	8.69	0.55	0.69
	Mobile Phones	0.35	-	-	0.35	0.33	-	-	0.33	0.02	0.02
	Electrical Fittings	5.81	-	-	5.81	5.15	0.20	-	5.35	0.46	0.67
	Weighing Machines	0.85	-	-	0.85	0.42	0.06	-	0.48	0.38	0.43
	Tubewell	3.25	-	-	3.25	3.02	0.07	-	3.09	0.16	0.23
	At Ludhiana Office										
	Office equipments	0.43	-	-	0.43	0.40	-	-	0.40	0.02	0.02
	Computers	5.80	-	-	5.80	5.07	-	-	5.07	0.73	0.73
	Mobile Phones	1.49	-	-	1.49	0.88	0.14	-	1.01	0.48	0.62
	Total	5,595.09	4.14	114.30	5,484.93	3,923.67	180.60	38.64	4,065.64	1,419.30	1,671.42



HIMACHAL FIBRES LIMITED

Note No.	Particulars	Amount (in Lakhs)	
		As at 31.03.2022	As at 31.03.2021
4.	Other non-current assets		
	Capital Advances	6.40	15.79
	Security deposits	21.65	21.65
	Trade receivables		
	-Unsecured, considered good :		
	Less than 6 months	-	-
	6 Months to 1 Year	-	207.33
	1-2 Years	207.33	250.42
	2-3 Years	250.42	102.53
	More than 3 Years	<u>269.94</u>	<u>243.54</u>
	Total	727.69	803.82
	-Doubtful	-	7.55
	Less: Allowance for Doubtful receivables	-	<u>(7.55)</u>
	Long Term Debtors		
	Slow Moving Inventories	<u>1,057.40</u>	<u>1,676.75</u>
	Total	<u>1,813.14</u>	<u>2,518.01</u>
5.	Inventories (Refer note no. 2 (h) for mode of valuation)		
	Raw materials	111.67	99.69
	Work-in-progress	18.59	10.08
	Finished goods	1,206.09	1,714.57
	Stock-In-Trade	63.25	89.60
	Stores and spares	<u>286.22</u>	<u>291.40</u>
		1,685.82	2,205.34
	Less: Slow Moving Inventories (Non Current)	<u>1,057.40</u>	<u>1,676.75</u>
	Total	<u>628.42</u>	<u>528.59</u>
6.	Trade receivables		
	Unsecured, considered good :		
	Related Parties - Where Director is Director or Member		-
	(I) Undisputed Trade Receivable - Considered Good		
	Less than 6 months	1,170.74	203.19
	6 Months to 1 Year	1.23	131.16
	1-2 Years	-	-
	2-3 Years	-	-
	More than 3 Years	<u>-</u>	<u>-</u>
	Other Parties	1,171.98	334.35
	(II) Undisputed Trade Receivable - Considered Doubtful	-	-
	(III) Disputed Trade Receivable - Considered Good	-	-



HIMACHAL FIBRES LIMITED

	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-
	1,171.98	334.35
Less: Provision for Doubtful Debts	-	-
Total	1,171.98	334.35
Doubtful	-	-
Less: Provision for Life Time Expected Credit Loss	-	-
Others	-	-
	-	-
Total	1,171.98	334.35
No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or member.		
7. Cash and cash equivalents		
Balances with banks		
- in current/ cash credit accounts	0.00	-
Cheque in Hand	2.40	-
Cash in hand	4.39	6.58
Total	6.79	6.58
8. Current Tax Assets (Net)		
TDS/ TCS Recoverable	35.16	32.67
Total	35.16	32.67
9. Other current assets		
Advances to suppliers of goods and services		
Other Parties	39.87	31.34
Other advances Recoverable in Cash or Kind	6.72	11.48
Input VAT Credit (HP)	0.04	0.04
Input VAT Credit (Punjab)	0.03	83.28
GST Input (HP and Punjab)	136.51	115.88
Total	183.17	242.02
10. Equity Share capital		
<u>Authorised</u>		
<u>Equity Shares</u>		
- 17,50,00,000(PY 17,50,00,000) Equity Shares for Re. 1/- EACH	1,750.00	1,750.00
<u>Preference Shares</u>		
- 1,65,000 16.5% Cumulative Redeemable Pref. Shares of Rs.100/- Each	165.00	165.00
- 14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100/- Each	1,435.00	1,435.00
Total	3,350.00	3,350.00
<u>Issued, Subscribed & Paid Up Equity Shares</u>		
- 8,62,50,000 (PY 8,62,50,000) Equity Shares for Re. 1/- Each Fully Paid up	862.50	862.50
Total	862.50	862.50



HIMACHAL FIBRES LIMITED

The reconciliation of the number of shares outstanding at the beginning and at the end of the period:

Equity shares of Rs. 1/- each:

Particulars	Number of shares	Number of shares
Number of shares and amount at the beginning	86,250,000	86,250,000
Add : Shares issued	-	-
Number of shares and amount at the end	86,250,000	86,250,000

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

Equity shares: The company has one class of equity share having par value of Rs. 1/- per share. Every member holding equity shares and entitled to vote and present in person or by proxy shall have voting rights which shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid up or partly paid up) held by him bears to the total paid up equity capital of the company.

Shares in the company held by each shareholder holding more than 5 percent shares:

Name of the shareholder	Number of shares	% held	Number of shares	% held
Balmukhi Textile P Ltd.	13,180,500	15.28	13,180,500	15.28
Brijeshwari Textiles P Ltd.	13,180,500	15.28	13,180,500	15.28
Shiva Spinfab P Ltd.	13,680,500	15.86	13,680,500	15.86
Himachal Yarns Ltd.	9,610,050	11.14	9,610,050	11.14
Shiv Narayan Investments P Ltd.	8,999,750	10.43	8,999,750	10.43
Garg Fincap Ltd.	6,715,000	7.79	6,715,000	7.79
Mr. Akhil Malhotra	5,000,000	5.80	5,000,000	5.80
	70,366,300	81.59	70,366,300	81.58
Promoters' share holding*				
1) Indian				
a) Individual				
Akhil Malhotra	5,000,000	5.80%	5,000,000	5.80%
Mayank Malhotra	2,000,000	2.32%	2,000,000	2.32%
Sub Total	7,000,000		7,000,000	
b) Other body Corporate				
Balmukhi Textiles Private Limited	13,180,500	15.28%	13,180,500	15.28%
Brijeshwari Textiles Private Limited	13,180,500	15.28%	13,180,500	15.28%
Shiva Spinfab Private Limited	13,680,500	15.86%	13,680,500	15.86%
Sub Total	40,041,500		40,041,500	
Total Shareholding of Promoter and Promoter Group	47,041,500		47,041,500	

*Note: There is no Change in Promoter's Holding during the year under review.



HIMACHAL FIBRES LIMITED

11. Other Equity

Redeemable Preference Shares

The Company has issued 12,00,000 (PY 12,00,000) 4% Non-Cumulative Redeemable Preference Shares of Rs. 100/- Each on 31st August 2009. The said preference shares shall be redeemed after the expiry of 16th, 17th & 18th year from the date of allotment by repayments of the amounts paid up thereon along with such premium not exceeding 4% per annum (to be calculated for the period of 15 years) on the face value of preference shares for the period to be reckoned from the date of allotment in installment of 30%, 35%, and 35% respectively.

The Preference Shares are presented in the Balance Sheet as follows.

Equity Component of Preference Shares 4% Non-Cumulative Redeemable Preference Shares		921.00	921.00
Equity Component of Preference Shares		921.00	921.00
<u>Retained Earnings</u>			
Balance at the beginning of the year	(2,314.09)	(1,825.44)	
Add: Profit/(Loss) for the year	(667.31)	(488.66)	
Balance at the end of the Year	(2,981.00)	(2,314.00)	(2,314.00)
Capital redemption reserve			
As at the commencement of the year	314.89	314.89	
Add: receipt during the year	-	314.89	314.89
Capital reserves			
As at the commencement of the year	1,777.93	1,777.93	
Add: receipt during the year	-	1,777.93	1,777.93
Share Premium Account			
As at the commencement of the year	520.00	520.00	
Add: Additions during the year	-	520.00	520.00
Equity Component of Unsecured Loan			
As at the commencement of the year	502.38	502.38	
Less : Redeemed During The Year	-	502.38	502.38
Total		1,055.00	1,722.00

Himachal Fibres Limited

**Amount
(in Lakhs)**

Note No.	Particulars	As at 31.03.2022	As at 31.03.2021
12.	Borrowings		
	Secured (*)		
	Term Loans		
	WCTL Account (Secured)	-	257.09
	Add/(Less) : Impact of IND AS effective ROI	-	1.09
	SBI - FITL - 39607700733 (LDH)	-	98.47
	SBI - FITL - 39607776996 (BADDI)	-	2.72
	Total	-	359.37
	Less: Current maturities of long term loans (refer Note No. 19)	-	218.74
	Unsecured Loans		
	Inter Corporate Deposits	525.00	525.00
		525.00	525.00



HIMACHAL FIBRES LIMITED

Less: Equity Portion of Unsecured Loan	(502.38)		(502.38)	
Add: NPV of Interest on Unsecured Loans	27.03	49.64	20.93	43.55
Total		<u>49.64</u>		<u>184.18</u>

(A) WCTL from State Bank of India is Secured against 1st exclusive charge on entire Fixed Assets of the Company (Incl. EM of Leasehold rights on Plot no. 43-44, Industrial area, Barotiwala (H.P.). Measuring 81612 sq. mtrs.)

(B) These are further secured by 2nd charge on entire Current Assets of the Company and Personal Guarantee of Promoters of the Company namely Sh. Akhil Malhotra and Sh. Mayank Malhotra.

13 Other Long Term Liabilities

Redeemable Portion of 4% Non-Cummulative Preference Share Capital		<u>645.24</u>		<u>560.44</u>
Total		<u>645.24</u>		<u>560.44</u>

14. Provisions

Provision for Employee Benefits Gratuity		<u>23.00</u>		<u>30.18</u>
Total		<u>23.00</u>		<u>30.18</u>

15. Borrowings

(Secured, Considered Good)				
Cash Credit Account (Secured)	1,701.49		1,638.47	
WCTL Account (Secured)	<u>260.82</u>		<u>-</u>	
Total	1,962.31		1,638.47	
Less:- Paid under OTS	<u>200.00</u>		<u>-</u>	
	1,762.31		1,638.47	
Less: Current maturities of borrowings due within next 12 months	<u>1,572.00</u>	190.31	<u>-</u>	1,638.47
Current maturities of borrowings due within next 12 months		<u>1,572.00</u>		<u>218.74</u>
Total		<u>1,762.31</u>		<u>1,857.21</u>

*State Bank of India vide its letter No.SAMB/HFL/2021-22/958 dated 28.03.2022 has sanctioned Compromise settlement amount of Rs.17.72 crores against principal outstanding of Rs.19.63 cr. and total dues of Rs.21.06 cr. in full & final settlement of the account repayable in various installments till 28.02.2023.

(A) Cash Credit Limited from State Bank of India are secured against 1st Charge on entire Current Assets of the Company.

(B) These are further secured by 2nd charge on entire Fixed Assets of the Company (Incl. EM of Leasehold rights on Plot no. 43-44, Industrial Area, Barotiwala (H.P.). Measuring 81612 sq. mtrs.) of the Company and Personal Guarantee of Promoters of the Company namely Sh. Akhil Malhotra and Sh. Mayank Malhotra.

16. Trade payables

Outstanding Dues of :				
(i) MSME			-	-
(II) Others				
- Less than 1 year	41.10		27.12	
- 1-2 years	2.65		5.96	
- 2-3 years	0.46		5.99	
- More than 3 year	<u>1.09</u>	45.30	<u>11.33</u>	50.40
(III) Disputed Dues - MSME			-	-
(IV) Disputed Dues -Others			-	-
Total		<u>45.30</u>		<u>50.40</u>



HIMACHAL FIBRES LIMITED

17. Other financial liabilities			
Others			
-Employees Dues	104.64		96.74
Other Expenses Payable	265.91		74.14
Total	370.55		170.88
18. Other current liabilities			
Statutory Dues Payable			
- Provident Fund	24.31		9.64
- Employee State Insurance (ESI)	6.42		10.19
- Tax Deducted at Source	4.09		2.98
- Service Tax	0.04		0.04
- Work Contract Tax	1.36		1.36
Advance From Customers	-		0.60
Other Liabilities Payable	568.71		-
Cheques Issued But Not Presented	11.95		10.00
Total	616.88		34.81
19. Provisions			
Provision for employee benefits			
- Gratuity	0.33		0.33
Income Tax Payable	21.84		21.84
Total	22.17		22.17
			Amount (in Lakhs)
Note No.	Particulars	As at 31.03.2022	As at 31.03.2021
20.	Revenue from operations		
	Sale of products	<u>2,681.67</u>	<u>711.89</u>
		<u>2,681.67</u>	<u>711.89</u>
	Other operating revenues		
	Sale of waste	32.25	12.69
	Sale of Capital Work In Process	-	186.60
	Sale of Stores & Spares	11.54	-
	Sale of scrap	<u>3.52</u>	<u>3.86</u>
		47.31	203.15
	Less: Sale of Capital Work in Process	-	(186.60)
		<u>47.31</u>	<u>16.55</u>
	Jobwork Charges Received	-	725.96
	Total	<u>2,728.98</u>	<u>1,454.40</u>



HIMACHAL FIBRES LIMITED

21. Other income

Interest income	0.52	0.68
Misc income	0.16	0.08
Other Non-operative Income	100.76	63.34
Sundry Balances Written Back	19.82	-
Total	<u>121.26</u>	<u>64.10</u>

22. Cost of materials consumed

Cost of raw materials consumed		
Opening stock of raw materials	99.69	3.59
Add: purchase of raw materials	<u>1,491.81</u>	<u>268.89</u>
	<u>1,591.51</u>	<u>272.48</u>
Less :		
Closing stock of raw materials	<u>111.67</u>	<u>99.69</u>
Cost of materials consumed - Total	<u>1,479.84</u>	<u>172.78</u>

23. Changes in inventories of finished goods and work-in-progress Closing inventories

Finished goods	1,243.39	1,796.47
Saleable waste	25.95	7.70
Work-in-progress	<u>18.59</u>	<u>10.08</u>
	<u>1,287.93</u>	<u>1,814.25</u>

Opening inventories

Finished goods	1,796.47	2,136.58
Saleable waste	7.70	10.85
Work-in-progress	<u>10.08</u>	<u>11.51</u>
	<u>1,814.25</u>	<u>2,158.94</u>

(-) Increase/ decrease in inventories of finished goods and work-in-progress

Finished goods	553.08	340.11
Saleable waste	(18.25)	3.15
Work-in-progress	(8.51)	1.42
Stock-in-trade	-	-
Changes in inventories of finished goods and work-in-progress - total	<u>526.32</u>	<u>344.68</u>



HIMACHAL FIBRES LIMITED

(Amount
in Lakhs)

Note No.	Particulars	As at 31.03.2022	As at 31.03.2021
24.	Employee benefits expense		
	Salaries, wages and bonus	554.44	435.64
	Contribution to provident fund and other funds	13.08	11.43
	Gratuity expense	12.63	16.19
	Staff welfare expenses	3.32	4.90
	Bonus	19.53	16.43
	Compensated Absences	14.05	10.80
	Total	617.05	495.39
25.	Finance costs		
	Interest	163.84	247.96
	Interest expenses per IND AS	0.21	1.09
	Other Borrowing Costs	-	3.73
	Interest on Preference Shares	84.80	72.46
	NPV of Interest on Unsecured Loans	6.10	5.35
	Less: Interest Income	-	(1.47)
	Bank Charges	0.14	4.31
	Total	255.09	333.43
26.	Depreciation Expense		
	Depreciation on property, plant and equipment (refer note no. 3)	180.60	206.42
	Depreciation of Right of use assets (refer note no. 3A)	0.11	0.11
	Total	180.71	206.53
27.	Other expenses		
	Manufacturing Expenses		
	Power & Electricity	307.37	274.55
	Fuel Consumed	7.16	4.62
	Oil & Lubricants	9.05	6.87
	Store & Spares Consumed	43.55	46.61
	Freight & Cartage Inwards	0.84	1.87
	Lease Rent Machinery	15.98	20.94
	Machinery Repair	47.89	44.15
		431.84	399.61
	Administrative Expenses		
	Auditor Remuneration	2.00	2.00
	Board Meeting Expenses	0.30	0.31
	Computer Repair & Expenses		



HIMACHAL FIBRES LIMITED

	0.12	0.02
Director's Remuneration	3.60	7.20
Fees Subscription & Taxes	2.42	2.32
Festival/ Worship Expenses	0.04	0.04
Fine & Penalty	10.56	0.47
General & Miscellaneous Expenses	0.12	0.50
Insurance Expenses	5.66	9.82
Legal & professional Expenses	10.09	6.80
Loss on sale of Assets	7.88	48.23
Printing & Stationary Expenses	0.23	0.26
Rent Expenses	1.32	1.48
Repair & Maintenance	5.38	15.01
Telephone, Fax, Internet & Postage Expenses	1.31	1.03
Travelling Expenses	0.55	0.95
Vehicle Running & Maintenance	13.36	16.67
	64.94	113.11
Selling Expenses		
Advertisement Expenses	0.52	0.52
Freight & Cartage Outwards	13.16	10.49
Packing & Handling Expenses	1.18	9.77
Sundry Balances Written off	-	19.40
Provision For Doubtful Debts	-	7.55
Rebate & Discount	-	0.11
	14.86	47.84
Total	511.64	560.56

Note No.	Particulars	Numerator	Denominator	31st March 2022	Variance	31st March 2021
(a)	Current Ratio	Current assets	Current liabilities	0.72	34%	0.54
(b)	Debt – Equity Ratio	Total Debt	Shareholder's Equity	0.16	4%	0.16
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	(2.27)	-226%	1.80
(d)	Return on Equity (ROE)	Net Profit	Shareholder's Equity	(0.35)	-16%	(0.19)
(e)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	1.57	69%	0.93
(f)	Trade receivables turnover ratio	Revenue From Operations	Average Trade Receivable	1.80	27%	1.41
(g)	Trade payables turnover ratio	Purchases	Average Trade Payables	33.49	2133%	1.50
(h)	Net capital turnover ratio	Total Income	Shareholder's Equity	1.49	153%	0.59
(i)	Net profit ratio	Net Profit	Total Income		9%	



HIMACHAL FIBRES LIMITED

(j)	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	(0.23)	-10%	(0.32)
		Income generated from investments	Time weighted average investments	(0.17)		(0.07)
(k)	Return on Investment(ROI)			NA	-	NA

Reasons for variance of more than 25%

- (a) During the year under review, buildup of current assets has resulted into improvement in current ratio.
- (c) During the year under review, poor cash flows have resulted into deterioration of DSCR.
- (e) During the year under review, Increase in cost of goods sold and decrease in Average Inventory have resulted into increase of Inventory Turnover ratio.
- (f) During the year under review, Increase in Purchases and decrease in Average Trade Receivables have resulted into increase of Trade Receivables Turnover ratio.
- (g) During the year under review, Increase in Turnover and decrease in Average Trade Payables have resulted into increase of Trade Payables Turnover ratio.
- (h) During the year under review, Increase in Total Income has resulted into increase of Net Capital Turnover ratio.

29. Contingent liability not provided for:

Particulars	Amount (in Lakhs)	
	As At 31.03.2022	As At 31.03.2021
Entry Tax with H.P.Excise and Taxation Deptt.	70.80	70.80
Processing Fees of Dy.Director of Industries, Solan	218.73	149.77
Damages under ESI	0	10.55
Right to Recompense with State Bank of India	591.00	591.00
Income Tax Act 1961 (AY 2017-18)	355.53	355.53
Total	1236.06	1177.65

30. The Company has paid/provided the managerial remuneration to the following persons which is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act :-

Name of Directors/Managers	Designation	Amount (in Lakhs)	
		2021-22	2020-21
Gian Chand Thakur	able Time Director	3.60	7.20

31. The Company has no information about the parties who has registered themselves under Micro, Small and Medium Enterprises Development Act, 2006.

32. The earnings per share (EPS) disclosed in the profit and loss account have been calculated as under:-

Particulars	Amount (in Lakhs)	
	As At 31.03.2022	As At 31.03.2021
Profit/(Loss) attributable to equity shareholders (A)	-687.10	-503.83
Less: Preference Dividend for the year	0.00	0.00
Earnings Attributable to Equity shareholders	-687.10	-503.83
Weighted average number of equity shares (Nos) (B)	86250000	86250000
Earning per shares (Rs per share) (face value of Rs.1 each)(A)/(B)	(0.80)	(0.58)
Diluted earnings per share	(0.80)	(0.58)

33. Deferred Taxation

The disclosure requirements as per the Indian Accounting Standard (Ind AS 12 Income Taxes) is as under:-



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Net Deferred Tax Asset as on 31st March, 2022 has been recognized by applying the tax rate applicable for the current financial year as under:-

Amount(in Lakhs)

Sr. No.	Particulars	Deferred Tax	
		Debit	Credit
1.	Deferred Tax Assets as on 01.04.2021	154.95	--
2.	Deferred Tax Income recognized during the year due to timing difference between depreciation as per Income Tax Act, 1961 & as per books of account for the year 2021-22	33.31	--
3.	Net Deferred Tax Assets as on 31.03.2022	188.26	--

34. (i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Enterprises under the common control as the company :Nil

B. Key Management Persons

- Mr. Gian Chand Thakur (Whole Time Director)
- Mr. Manoj Kumar (Non-Executive Director)
- Ms. Malkeet Kaur (Independent Director)
- Mr. Surjit Singh (Independent Director)
- Mr. Navrattan Sharma(CFO)
- Ms. Laxmi Khatri (Company Secretary)

(ii) Disclosure of transactions between the company and related parties during the year and outstanding balances as on March 31, 2022.

Amount (in Lakhs)

Particulars	Enterprises that are under common control as the company		Key management personnel	
	As At 31.03.2022	As At 31.03.2021	As At 31.03.2022	As At 31.03.2021
Director Sitting fees	--	--	0.30	0.30
Remuneration	--	--	3.60	7.20

35. In the opinion of the management, all current assets, loan and advances their value if realized in the ordinary course of business, at least to the amount at which they are stated except expressly stated otherwise.

36. Balance of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation and reconciliation.

37. The company had defaulted on payments of its debt obligations to its lenders leading to its borrowing being classified as NPA by the State bank of India as on 31.03.2021. In the current year, State Bank of India vide its letter No.SAMB/HFL/2021-22/958 dated 28.03.2022 has sanctioned Compromise settlement amount of Rs. 17.72 crores against principal outstanding of Rs.19.63 cr. and total dues of Rs.21.06 cr. in full & final settlement of the account repayable in various installments till 28.02.2023.

38. The company has provided interest amounting to Rs.194.82 Lakhs on NPA Classified accounts with State Bank of India upto 31.12.2021. However, the company has stopped any further provision of interest in its books of account in view of comprise settlement State Bank of India vide its letter No.SAMB/HFL/2021-22/958 dated 28.03.2022

39. The company has not submitted any quarterly returns or statements of current assets with State Bank of India since the accounts of the company has been classified as NPA by the State bank of India as on 31.03.2021.

40. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act,



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1956 during the year under review.

41. Leases:

(i) Leases as Lessee

The company has long term lease contract for factory land situated plot no.43-44, Industrial area Barotiwala District Solan which has lease term for 99 years. Generally, The Company's obligations under its lease are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets.

The company also has certain leases of office premises and machinery and equipment with lease term of 12 months or less. The company applies the short term lease recognition exemptions for these leases.

The following are the amounts recognized in statement of profit and loss:

Particulars	(Rupees in Lakhs)	
	2021-22	2020-21
Depreciation expenses of right-of-use assets	0.11	0.11
Expenses relating to short term leases (included in other expenses)	17.30	22.42
Total	17.41	22.53

Payments associated with short term leases are recognized on a straight line basis as an expense in statement of profit and loss. Short term leases are leases with a lease term of 12 months or less.

42. There are cheques amounting to Rs.10.00 Lacs issued in FY 2018-19 which are not yet cleared from the bank accounts of the company as on 31.03.2022 are shown under the other current liabilities at Note no.18.

43. Payment to Auditors:-

Particulars	(Rupees in Lakhs)	
	As At 31.03.2022	As At 31.03.2021
Audit Fees	1.00	1.00
Tax Audit Fees	1.00	1.00
Total	2.00	2.00

44. The company is operating in single segment i. e Textiles i.e. Knitted Fabric and Blended Yarn. Hence segment reporting as required under INDAS108 (Operating Segments) is not applicable.

Major Customers

Detail of the Major Customers where sales of the company are more than 10%of the turnover of the company is as below:-

Name	(Rupees in Lakhs)	
	FY 2022	FY 2021
Shiva Texfabs Ltd	2360.62	1142.13
Vinayak International	333.54	98.91

Note: Sale figures are net of GST.

45. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Indian Accounting Standard (Ind AS 19 Employee Benefits) are as under:

a. Gratuity

The principal assumptions used in actuarial valuation of gratuity are as below:

i) Economic Assumptions

	31/03/2022	31/03/2021
i) Discounting Rate	7.26	6.76
ii) Future salary Increase	5.00	5.00



HIMACHAL FIBRES LIMITED

iii) Expected Rate of return on plan assets	0.00	0.00
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ii) Demographic Assumption

i) Retirement Age (Years)	58	58
ii) Mortality Table	IALM (2012-14)	
iii) Ages	Withdrawal Rate (%)	
Up to 30 Years	5.00	5.00
From 31 to 44 years	5.00	5.00
Above 44 years	5.00	5.00

iii) Actuarial Value(Rupees in Lakhs)

	Assets / Liability	31/03/2022	31/03/2021
A	Present value of obligation	23.34	30.51
B	Fair value of plan assets	--	--
C	Net assets / (liability) recognized in balance sheet as provision	(23.34)	(30.51)

iv) Bifurcation of PBO at the end of year as per revised schedule VI to the companies Act.

		31/03/2022	31/03/2021
			(Rupees in Lakhs)
a)	Current liability (Amount due within one year)	0.33	0.33
b)	Non-Current liability (Amount due over one year)	23.01	30.18
c)	Total PBO at the end of year	23.34	30.51

b. Provident Fund

During the year the company has recognized an expense of Rs. 9.44 Lakhs (Previous Year Rs8.31Lakhs) towards provident fund scheme.

c. Leave Encashment and Bonus

During the year the company has recognized an expense of Leave Encashment and Bonus for Rs. 14.05 Lakhs and Rs. 19.52 Lakhs respectively (Previous Year 10.80 Lakhs and Rs. 16.42 Lakhs respectively)

46. The figures of the previous year have been rearranged/ regrouped, wherever necessary to facilitate comparison.



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47. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related and forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated the date of approval of these standalone financial statements.

**ON BEHALF OF THE BOARD
FOR MANJUL MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG.NO.028039N**

Sd/-

**MANJUL MITTAL
PARTNER
M.NO. 500559**

sd/-

**MANOJ KUMAR
(DIRECTOR)
DIN: 06872575**

Sd/-

**GIAN CHAND THAKUR
(WHOLE TIME DIRECTOR)
DIN:07006447**

**30.05.2022
LUDHIANA**

sd/-

**LAXMI KHATRI
(COMPANY SECRETARY)**

sd/-

**NAVRATTAN SHARMA
(CFO)**