



HIMACHAL FIBRES LIMITED

Corporate Office : 8-L, Model Town, (Backside Hotel Chevron), Ludhiana. 141 002 (INDIA) Phone : 91-161-4684000,
Fax : 91-161-4684010, E-mail : hfl.corporate@gmail.com Visit : www.himachalfibre.com
CIN No. : L17119HP1980PLC031020

01.09.2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400001

HIMFIBP | 514010 | INE723D01021
Sub: Annual Report for FY 2022-23

Dear Sir,

The company is submitting herewith the Annual Report for the FY 2022-23 along with the approved Notice for the Annual General Meeting to be held on Thursday, the 28th day of September, 2023 at 05:00 p.m. at the registered office of the Company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh) in physical mode.

Thanking You,

Thanks & Regards,

For HIMACHAL FIBRES LIMITED

(Manoj Kumar)
(Director)
(DIN: 06872575)

HIMACHAL FIBRES LIMITED

ANNUAL REPORT 2022-23



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. Malkeet Kaur

Non-Executive & Independent Director

BOARD COMMITTEES

Audit Committee

Mr. Surjit Singh (Chairperson)

Mr. Gian Chand Thakur

Mrs. Malkeet Kaur

Nomination & Remuneration Committee

Mrs. Malkeet Kaur (Chairperson)

Mr. Manoj Kumar

Mr. Surjit Singh

Stakeholders Relationship Committee

Mr. Surjit Singh (Chairperson)

Mr. Gian Chand Thakur

Mrs. Malkeet Kaur

KEY EXECUTIVE OFFICERS

Mr. Navrattan Sharma (resigned w.e.f. 24.01.2023)

Chief Financial Officer

Mr. Sebastian Joseph (appointed w.e.f. 14.02.2023)

Chief Financial Officer

Mrs. Laxmi Khatri (resigned w.e.f. 30.05.2023)

Company Secretary & Compliance Officer

Mrs. Sharon Arora (Appointed w.e.f. 31.05.2023)

Company Secretary & Compliance Officer

hfl.corporate@gmail.com

STATUTORY AUDITORS

Manjul Mittal & Associates

Chartered Accountants

32, Green Enclave, Near Ferozepur Road,

Octroi Post, Barewal, Ludhiana-141001

SECRETARIAL AUDITORS

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 Harsukh Dass Mandir, New Delhi – 110062,

beetalrta@gmail.com

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)

42nd ANNUAL GENERAL MEETING

DAY: Thursday

DATE: 28th September, 2023

TIME: 05:00 P.M.

MODE: Physical at Registered office of

the company at Plot No. 43-44, Industrial Area, Barotiwala-

174103 (Himachal Pradesh)

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NOTICE

Notice is hereby given that the **42nd Annual General Meeting (AGM)** of the members of the Company will be held on Thursday, the 28th day of September, 2023 at 05:00 p.m. at the registered office of the Company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh) in physical mode as per the detailed instructions stated hereinafter, to transact the following businesses:-

ORDINARY BUSINESS:

1. **To receive, consider and adopted audited financial statements along with reports of the Board of Directors and Auditors thereon for the financial year ended 31st March, 2023. (Ordinary Resolution)**
2. **To consider and approve, with or without modification, the appointment of Mr. Gian Chand Thakur (DIN: 07006447), who retires by rotation and being eligible, offers himself for reappointment. (Ordinary Resolution).**

SPECIAL BUSINESS:

3. **Issue of Warrants Convertible Into Equity Shares To The Proposed Allottees, On A Preferential Basis**

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

“**RESOLVED THAT** pursuant to the provisions of section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the “**Act**”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**SEBI ICDR Regulations**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date (the “**Listing Regulations**”), and subject to any other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (“**MCA**”), the Securities and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”) and/or any other competent authorities (hereinafter referred to as “**Applicable Regulatory Authorities**”) from time to time to the extent applicable and enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority including BSE Limited (“**Stock Exchange**”), RBI and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board of Director (the “**Board**”) of the Company in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, in one or more tranches, upto 1,50,00,000 (One Crore and Fifty Lakh only) convertible warrants (“**Warrants**”), at a price of Rs. 10.00/- (Rupees Ten only) per warrant, aggregating upto Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) (“**Total Issue Size**”), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value Re. 1.00/- (Rupee One only), each at a premium of Rs. 9.00/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below (“**Warrant Holder**”/ “**Proposed Allottees**”) belonging to non-promoter group of the Company on a preferential basis (“**Preferential Issue**”), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

S. No.	Name of Proposed Allottees	Category (Promoter/ Non - Promoter)	Maximum number of Convertible Warrants proposed to be allotted
1.	Sangeeta Pareekh	Non Promoter	20,00,000
2.	Securocrop Securities India Private Limited	Non Promoter	17,50,000
3.	Securocrop Business Re-Engineering Private Limited	Non Promoter	10,00,000
4.	BGP 11 Analytics Private Limited	Non Promoter	20,00,000
5.	Atul Saluja HUF	Non Promoter	10,00,000
6.	Anisha Malik	Non Promoter	20,00,000
7.	Lalit Kumar Malik	Non Promoter	20,00,000
8.	Atul Khosla	Non Promoter	10,00,000
9.	Shyam Taparia	Non Promoter	6,00,000



10.	Mable Rajesh	Non Promoter	4,00,000
11.	Pankaj Mittal	Non Promoter	1,25,000
12.	Sapna Mittal	Non Promoter	1,25,000
13.	Strikersports Academy Private Limited	Non Promoter	10,00,000

RESOLVED FURTHER THAT in accordance with regulation 161 of the SEBI ICDR Regulations, the relevant date for the purpose of calculating floor price for the issue of warrant is Tuesday, August 29, 2023 the date that is 30 (Thirty) days prior to the date of shareholders meeting scheduled to be held on Thursday, September 28, 2023 to approve the proposed Preferential Issue;

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company to the allottees within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- I) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants may be exercised into Equity Shares as aforesaid by the Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Warrants.
- II) A Warrant subscription price equivalent to 25% (i.e., the upfront amount) of the issue price will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) at the time of exercising the Warrants.
- III) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- IV) The respective Warrant holders shall make payment of Warrant Subscription Price and Warrant Exercise Price from their own bank account into the designated bank account of the Company and in the case of joint holders, shall be received from the bank account of the person whose name appears first in the application.
- V) In the event the Warrant holder(s) does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- VI) The Warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of SEBI ICDR Regulations.
- VII) The Warrants by itself, until exercised and converted into Equity Shares, shall not give to the Warrant Holders thereof any rights with respect to that of an Equity shareholder of the Company.

RESOLVED FURTHER THAT the pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Warrants, subject to the provisions of the Act and SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the allottees and issue a private placement offer cum application letter in the Form PAS-4 to the allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose to give effect to the above resolution, including without limitation, issuing clarifications, resolving all questions of



doubt, effecting any modifications or changes to the above mentioned Preferential offer (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), making applications to Stock Exchange for obtaining of in-principle approval, filing of requisite documents with the concerned Registrar of Companies (“ROC”), National Securities Depository Limited (“NSDL”), Central Depository Services (India) Limited (“CDSL”) and/ or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the Warrant Holders and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Warrants or Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s)/Company Secretary / any Officer(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolution is hereby approved, ratified and confirmed in all respects.”

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

Sd/-

Sd/-

(GIAN CHAND THAKUR)
(Wholetime Director)

(SURJIT SINGH)
(Chairman cum Independent Director)

Place: Ludhiana

Dated: September 01st 2023

<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:

- i) A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
- ii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Beetal Financial & Computer Services (P) Ltd.
- v) **The Register of Members and the Share Transfer Book of the company will remain closed from 22nd September, 2023 to 28th September, 2023 (both days inclusive).**
- vi) In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Member whose email are not registered shall receive the copy of the Notice along with the hard copy of statement containing the salient features of all the documents. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website: <http://www.himachalfibre.com/> , website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com . Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- vii) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- viii) Mr. Ansh Bhambri, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- ix) The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer’s report shall be placed on Company’s website of CDSL and will be communicated to the stock exchanges.
- x) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means.
- xi) **The instructions for shareholders voting electronically are as under:**
 - (i) The voting period **begins on 25.09.2023 at 09.00 am and ends on 27.09.2023 at 05.00 pm**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 22.09.2023** 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 through e-voting would not be entitled to vote at the meeting value.
 - (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 abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of share holders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.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 period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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



	<p>‘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
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>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.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>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</p>

(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 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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 OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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 230901011** for the relevant <HIMACHAL FIBRES LIMITED > on which you choose to vote.
- (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 (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

<http://www.himachalfibre.com/uploads/CORPORATE%20ANNOUNCEMENTS/Announcement%20for%20Updation%20of%20KYC.pdf>

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 022- 23058738 and 022-23058542/43.

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

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

Sd/-

**(GIAN CHAND THAKUR)
(Wholetime Director)**

Place: Ludhiana
Dated: September 01st 2023

Sd/-

**(SURJIT SINGH)
(Chairman cum Independent Director)**



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

Item No. 3

ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES TO THE PROPOSED ALLOTTEES, ON A PREFERENTIAL BASIS

In accordance with section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the “Act”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the SEBI ICDR Regulations and the Listing Regulations, as amended from time to time, subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority approval of shareholders of the Company by way of special resolution is required to issue Convertible Warrants into Equity Shares by way of private placement on a preferential basis to the proposed allottees.

The information required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations, and other relevant details in respect of the proposed Preferential Issue of Convertible Warrants into Equity Shares are as under:

a) Particulars of the Preferential Issue including date of passing of Board resolution

The Board at their meeting held on Friday, September 01, 2023 have, subject to the approval of the Members of the Company and such other approvals as may be required, approved to issue and allot in one or more tranches, upto 1,50,00,000 (One Crore Fifty Lakhs only) convertible warrants (“Warrants”), at a price of Rs. 10.00/- (Rupees Ten only) per warrant, aggregating upto Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) (“Total Issue Size”), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value Re. 1.00/- (Rupee One only), each at a premium of Rs. 9.00/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below (“Warrant Holder”/ “Proposed Allottees”) belonging to non-promoter group of the Company on a preferential basis (“Preferential Issue”), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

S. No.	Name of Proposed Allottees	Category (Promoter/ Non - Promoter)	Maximum number of Warrants to be allotted
1.	Sangeeta Pareekh	Non Promoter	20,00,000
2.	Securocrop Securities India Private Limited	Non Promoter	17,50,000
3.	Securocrop Business Re-Engineering Private Limited	Non Promoter	10,00,000
4.	BGP 11 Analytics Private Limited	Non Promoter	20,00,000
5.	Atul Saluja HUF	Non Promoter	10,00,000
6.	Anisha Malik	Non Promoter	20,00,000
7.	Lalit Kumar Malik	Non Promoter	20,00,000
8.	Atul Khosla	Non Promoter	10,00,000
9.	Shyam Taparia	Non Promoter	6,00,000
10.	Mable Rajesh	Non Promoter	4,00,000
11.	Pankaj Mittal	Non Promoter	1,25,000
12.	Sapna Mittal	Non Promoter	1,25,000
13.	Strikersports Academy Private Limited	Non Promoter	10,00,000

b) Kinds of securities offered and the price at which security is being offered, and the total/ maximum number of securities to be issued

The Company proposes to offer, issue and allot, in one or more tranches, upto 1,50,00,000 (One Crore Fifty Lakhs only) convertible warrants into equity shares (“Warrants”), at a price of Rs. 10.00/- (Rupees Ten only) per warrant, aggregating upto Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) (“Total Issue Size”) by way of a Preferential Issue.

c) Purpose/Object of the preferential issue



The Company needs to raise additional funds to meet out the working capital requirement, business expansion and other general corporate purposes of the Company. Considering funds raising through preferential issue to be most cost and time effective way for raising additional capital, the Board of Directors of the Company proposed to raise upto Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) through issue of warrants convertible into equity shares on preferential basis to the person/Entity belong to non-promoter group of Company.

d) Maximum number of securities to be issued and price at which securities being offered

The Company proposes to offer, issue and allot, in one or more tranches, upto 1,50,00,000 (One Crore Fifty Lakhs only) convertible warrants into equity shares ("Warrants"), at a price of Rs. 10.00/- (Rupees Ten only) per warrant, aggregating upto Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) ("Total Issue Size") by way of a Preferential Issue.

The price for the allotment of shares to be issued is based on the minimum price determined accordance with Chapter V of SEBI ICDR Regulations is fixed at Rs. 10.00/- (Rupees Ten only) per Convertible Warrant.

e) Basis on which the price has been arrived at along with report of the registered valuer

The Board of the Company has fixed the Warrant Issue price (i.e. the price including the Warrant Subscription Price and the Warrant Exercise Price) of Rs. 10.00/- (Rupees Ten Only) each which is above the Minimum Price as determined in compliance with the requirements of the SEBI ICDR Regulations. Minimum price is Rs. 2.67 per equity share in accordance with regulation 165 and regulation 166A of SEBI (ICDR) Regulations was performed by Mr. Manish Manwani, a Registered Valuer (Registration No. IBBI/RV/03/2021/14113) having his office located at Unit No. 125, Tower B-3, Spaze Itech Park, Sohna Road, Sector 49, Gurugram Haryana 122018

The shares of the Company are listed on BSE Limited and are infrequently traded. Articles of Association of the Company does not provide for any particular method of determination of price however the proposed allotment is more than 5% of the post issue fully diluted Equity Share Capital of the Company to an allottee or to allottees acting in concert therefore the price is determined in compliance with Regulation 165 read with Regulation 166A of SEBI ICDR Regulations for Preferential Issues taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares.

- f) The valuation was performed by Mr. Manish Manwani, a Registered Valuer (Registration No. IBBI/RV/03/2021/14113) having his office located at Unit No. 125, Tower B-3, Spaze Itech Park, Sohna Road, Sector 49, Gurugram Haryana 122018 in accordance with regulation 165 and regulation 166A of SEBI (ICDR) Regulations. The certificate of Independent Valuer confirming the minimum price for preferential issue as per chapter V of SEBI (ICDR) Regulations is available for inspection at the Registered Office of the Company between 10:00 A.M. to 05:00 P.M. on all working days upto the date of AGM and uploaded on the website of the Company. The link of Valuation Report is <http://www.himachalfibre.com/uploads/CORPORATE%20ANNOUNCEMENTS/Valuation%20Report-Himachal%20Fibres%2001.09.2023.pdf>

g) Relevant Date

The relevant date as per the Regulation 161 of SEBI ICDR Regulations, for determination of minimum price for the issuance of Convertible Warrants is Tuesday, August 29, 2023 the date that is 30 (Thirty) days prior to the date of shareholders meeting scheduled to be held on Thursday, September 28, 2023 to approve the proposed Preferential Issue;

h) The class or classes of persons to whom the allotment is proposed to be made

The allotment is proposed to be made to the proposed allottees as mentioned at point no. (h) below.

- i) **Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issues that may be held by them and change in control, if any, in the issuer consequent to the preferential issues**



Sr. No.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre- Issue Shareholding		Number of Warrants to be issued	Post- Issue Shareholding (Presuming full conversion of Warrants)#	
				No. of Shares	% of holding		No. of Shares	% of holding
1.	Sangeeta Pareekh	Non Promoter	Not Applicable	-	-	20,00,000	20,00,000	1.98%
2.	Securocrop Securities India Private Limited	Non Promoter	Dinesh Pareekh	-	-	17,50,000	17,50,000	1.73%
3.	Securocrop Business Re-Engineering Private Limited	Non Promoter	Dinesh Pareekh & Sarthak Agarwal	-	-	10,00,000	10,00,000	0.99%
4.	BGP 11 Analytics Private Limited	Non Promoter	Dinesh Pareekh	-	-	20,00,000	20,00,000	1.98%
5.	Atul Saluja Huf	Non Promoter	Atul Saluja	-	-	10,00,000	10,00,000	0.99%
6.	Anisha Malik	Non Promoter	Not Applicable	-	-	20,00,000	20,00,000	1.98%
7.	Lalit Kumar Malik	Non Promoter	Not Applicable	-	-	20,00,000	20,00,000	1.98%
8.	Atul Khosla	Non Promoter	Not Applicable	-	-	10,00,000	10,00,000	0.99%
9.	Shyam Taparia	Non Promoter	Not Applicable	-	-	6,00,000	6,00,000	0.59%
10.	Mable Rajesh	Non Promoter	Not Applicable	-	-	4,00,000	4,00,000	0.40%
11.	Pankaj Mittal	Non Promoter	Not Applicable	-	-	1,25,000	1,25,000	0.12%
12.	Sapna Mittal	Non Promoter	Not Applicable	-	-	1,25,000	1,25,000	0.12%
13.	Strikersports Academy Private Limited	Non Promoter	Piyanshu Sharma & Puneet Bhawaker	-	-	10,00,000	10,00,000	0.99%

Assuming full conversion of Warrants.

As a result of the proposed preferential issue of Warrants and upon conversion of such Warrants, there will be no change in the control or management of the Company. However, there will be corresponding changes in the shareholdings of the promoter & promoter group and public shareholding consequent to preferential allotment.

j) Intention of the promoters/ directors/ or key managerial personnel to subscribe to the offer

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to any of the warrants convertible into equity shares proposed to be issued under the Preferential Issue or otherwise contribute to the Preferential Issue or separately in furtherance of the objects specified herein above.

k) Time frame within which the Preferential Issue shall be completed.

As required under the SEBI ICDR Regulations, the preferential issue/allotment of Warrants shall be completed within a period of 15 days of passing the special resolution or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.



i) Shareholding pattern pre and post preferential issue would be as follows:

Sr. No.	Category	Pre Issue Shareholding		Post Issue Shareholding (Presuming full conversion of Warrants)#	
		No. of equity shares held	% of Shares	No. of equity shares held	% of Shares
A	Promoter & Promoter Group Shareholding				
(a)	Indian Promoter	4,70,41,500	54.54%	4,70,41,500	46.46%
(b)	Foreign Promoter	-	-	-	-
	Sub Total (A)	4,70,41,500	54.54%	4,70,41,500	46.46%
B	Public Shareholding				
(a)	Institutions (Domestic)				
	Mutual Funds	4000	0.00%	4000	0.00%
	Banks	24,500	0.03%	24,500	0.02%
	Other Financial Institutions	1,16,000	0.13%	1,16,000	0.11%
(b)	Non-Institutions				
(i)	1. Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	50,14,265	5.81%	50,14,265	4.95%
(ii)	2. Individual Shareholders holding Nominal Share Capital Above 2 Lacs	66,29,428	7.69%	1,48,79,428	14.70%
(iii)	Bodies Corporate	2,70,80,285	31.40%	3,28,30,285	32.43%
(iv)	Non-Resident Indians	1,39,324	0.16%	1,39,324	0.15%
(c)	Any Other (specify)				
(v)	HUF	2,00,698	0.16%	12,00,698	1.19%
(vi)	Firm	-	0.00%	-	0.00%
	Sub Total (B)	3,92,08,500	45.46%	5,42,04,500	53.54%
	Total Shareholding	8,62,50,000	100.00%	10,12,46,000	100.00%

m) Change in Control, if any, in the Company consequent to the preferential issue

There will not be any change in the composition of the Board, the existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment. However, there will be corresponding changes in the shareholdings of the Promoter & Promoter Group consequent to preferential allotment.

n) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price.

During the year, the Company has not made any allotments on preferential basis till date.



o) Principal terms of assets charged as securities.

Not applicable.

p) Material terms of raising such securities

The Equity shares being issued after the conversion of such convertible warrants shall be rank pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

q) Lock-In Period & Transferability

The Warrants and the equity shares to be allotted pursuant to the exercise of the Warrants issued on Preferential Issue shall be subject to 'lock-in' for such period(s), as may be applicable to each of the investor(s), in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further the entire pre-preferential allotment shareholding of the allottees if any shall be locked-in from the relevant date up to a period of 90 (Ninety) trading days from the date of allotment of securities.

r) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter

Existing promoter will continue as promoter of the Company and pursuant to this allotment to the proposed allottees belongs to non promoter group shall be covered under the head on non – promoter/public under shareholding pattern of the Company.

s) The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue

Sr. No.	Name of proposed allottees	Percentage of post preferential issue (Presuming full conversion of Warrants)
1.	Sangeeta Pareekh	1.98%
2.	Securocrop Securities India Private Limited	1.73%
3.	Securocrop Business Re-Engineering Private Limited	0.99%
4.	BGP 11 Analytics Private Limited	1.98%
5.	Atul Saluja HUF	0.99%
6.	Anisha Malik	1.98%
7.	Lalit Kumar Malik	1.98%
8.	Atul Khosla	0.99%
9.	Shyam Taparia	0.59%
10.	Mable Rajesh	0.40%
11.	Pankaj Mittal	0.12%
12.	Sapna Mittal	0.12%
13.	Strikersports Academy Private Limited	0.99%

t) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

Not applicable. Since, the allotment of convertible Warrants and the equity shares pursuant to the exercise of the Warrants is made for consideration payable in cash.

u) Amount which the company intends to raise by way of such securities.

Aggregating up to Rs. 15,00,00,000/- (Rupees Fifteen Crore Only).

v) Certificate of Practicing Company Secretary



The copy of certificate from M/s Bhambri & Associates (C.P. No. 22626), Practicing Company Secretaries, as required under regulation 163(2) of the SEBI ICDR Regulations, shall be placed before the Annual General Meeting of the shareholders, to be held at 05.00 PM in physical mode at the registered office of the Company at Plot No. 43-44, Industrial Area, Barotiwala, Himachal Pradesh – 174103, India. The said certificate shall be hosted on the Company's website and is accessible at link:

<http://www.himachalfibre.com/uploads/CORPORATE%20ANNOUNCEMENTS/Certificate%20Under%20ICDR%20for%20HFL%20Pref%20issue%2001.09.2023.pdf>

w) Other disclosures/Undertaking

- i. The Company, its Promoters and its Directors are not categorized as wilful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1) (i) of the SEBI ICDR Regulations is not applicable.
- ii. None of its directors or promoters are fugitive economic offenders as defined under the SEBI ICDR Regulations.
- iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories.
- iv. The Company has obtained the Permanent Account Numbers (PAN) of the proposed allottees, except those allottees which may be exempt from specifying PAN for transacting in the securities market by SEBI before an application seeking in-principle approval is made by the Company to the stock exchange(s) where its equity shares are listed;
- v. The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders' approval by way of special resolution;
- vi. The Company is in compliance with the conditions for continuous listing.
- vii. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price in terms of Regulation 163(1)(g) and Regulation 163(1)(h) of SEBI ICDR Regulations.
- viii. The Proposed Allottees and the promoter and promoter group has not sold any equity shares during 90 trading days preceding the Relevant Date.
- ix. The Equity Shares held by the proposed allottees in the Company are in dematerialized form only.
- x. No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company during the last one year.
- xi. The Company has complied with the applicable provisions of the Companies Act, 2013. The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the SEBI ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolution as set out in Item No. 3 as **Special Resolution** for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out at Item No. 3 of this Notice except and to the extent of their shareholding in the Company.

Documents referred to in the notice/ explanatory statement will be available for inspection by the Members of the Company as per applicable law.

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



Sd/-

Sd/-

(GIAN CHAND THAKUR)
(Wholetime Director)

(SURJIT SINGH)
(Chairman cum Independent Director)

Place: Ludhiana
Dated: September 01st 2023

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 Thirty (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 2022-23	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	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 42nd Annual Report together with the Audited Statement of Accounts of Himachal Fibres Limited (HFL) for the year ended March 31st, 2023.

1. FINANCIAL HIGHLIGHTS.

The summary of the financial performance of the Company for the financial year ended March 31st, 2023 compared to the previous year ended March 31st, 2022 is given below:

Particulars	(in Lacs)	
	Year Ended March 31 st 2023	Year Ended March 31 st 2022
Revenue from Operations and Other Income (Total Revenues)	2773.22	2850.23
Profit/Loss before Tax (PBT)	298.53	(720.41)
Tax- Current	0	(0.000)
Tax- Deferred	5.50	(33.30)
Profit/Loss after Tax	293.03	(687.10)
Other Comprehensive Income (Net of Tax)	15.39	19.79
Total Comprehensive Income	308.42	(667.30)
Earnings per Share (EPS) (in Rs.) (after exceptional item)		
- Basic	0.34	(0.80)
- Diluted	0.34	(0.80)

*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. 2683.29 Lakhs as compared to Rs. 2728.97 Lakhs of previous year. The Net profit (Loss) after tax for the year ended March 31st, 2023 is Rs. 293.03 Lakhs as compare to Rs. (687.11) Lakhs for the previous year.

3. DIVIDEND

In view of the Loss for the year ended March 31st 2023, 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 2022-23.

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.

HIMACHAL FIBRES LIMITED



During the financial year 2022-23, 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, 2023 is Rs. 16.18 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, 2023.

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 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)

HIMACHAL FIBRES LIMITED



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 during the year 2022-23:

Mr. Navratan Kumar Sharma resigned from the post of Chief financial officer due to his personal reasons w.e.f. 24.01.2023;

Mr. Sebastian Joseph has joined thereafter as CFO w.e.f. 14.02.2023;

Mrs. Laxmi Khatri was the Compliance officer cum Company Secretary of the Company.

12. BOARD MEETINGS & ATTENDANCE OF DIRECTORS

Five (5) meetings of the Board of Directors were held during the year 2022-23.

Date of Meetings: - 30.05.2022, 13.08.2022, 14.11.2022, 24.01.2023 and 14.02.2023

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 31.03.2023			No. of shares held in the Company as on 31.03.2023	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 Chairpersons hip**		
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 2022-23, four meetings were held on - Date of Meetings: 30.05.2022, 13.08.2022, 14.11.2022 and 14.02.2023. Composition of the committee and details of meetings held and member's attendance during the year are as under:

HIMACHAL FIBRES LIMITED



Name	Status	Category	No of Meetings Held and Attended during the year 2022-23	
			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 14th 2022.

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: - 13.08.2022 and 14.02.2023.

Name	Status	Category	No of Meetings Held and Attended during the year 2022-23	
			Held	Attended
Mrs. Malkeet Kaur	Chairperson	Non Executive & Independent Director	2	2
Mr. Manoj Kumar	Member	Non Executive Director	2	2
Mr. Surjit Singh	Member	Non Executive & Independent Director	2	2

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: - 13.08.2022.

Name	Status	Category	No of Meetings Held and Attended during the year 2022-23	
			Held	Attended
Mr. Surjit Singh	Chairperson	Non Executive & Independent Director	1	1
Mrs. Malkeet Kaur	Member	Non-Executive & Independent Director	1	1
Mr. Gian Chand Thakur	Member	Whole time Director	1	1

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

The complaints received, if any during the financial year were duly resolved in due time.

Name and designation of the Compliance Officer:

Mrs. Sharon Arora, 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.

HIMACHAL FIBRES LIMITED



COMMITTEE NAME	MEMBERS	NO OF MEETINGS
SECURITIES TRANSFER COMMITTEE	Mr. Surjit Singh (Chairperson) Mr. Gian Chand Thakur Mr. Manoj Kumar	1
BANKING & FINANCE COMMITTEE	Mr. Surjit Singh (Chairperson) Mr. Gian Chand Thakur Mr. Manoj Kumar	1

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. The independent directors are exempted from clearing the proficiency test by the IICA.

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/- and net worth of the Company is Rs. (90,48,152) /-as on the last day of the previous financial year i.e. March 31, 2023 which is not exceeding Rs. 10 Crores and Rs. 25 Crores, respectively as per the latest audited Financial Statements as at March 31, 2023. 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) were re-appointed as the Statutory Auditors of the Company for a second term of five years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting.

HIMACHAL FIBRES LIMITED



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 had appointed M/s Bhambri & Associates (CP No-22626), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure - 1'.

18.3 Internal Auditors

Mr. Sanjay Kumar was 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. For the year 2023-24 Mr. Sanjay Kumar has been re-appointed as the Internal Auditor by the Board.

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. 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, which has been cleared completely by the Company.
- c) The late filing of some of the compliances was done inadvertently and will be taken care of in the future.

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 had paid the listing fee on 11.11.2022, delayed. The Company has not paid annual listing fee to exchanges for the year 2023-24 however the same will be paid soon.

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. ANNUAL RETURN

The Annual Return is available on the website of the company at the link
<http://www.himachalfibre.com/uploads/SHARE%20HOLDER%20INFO/MGT-%207%20-%20202021-22.PDF>

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- 2'.

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 2022-23, 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- 3".

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- 4'.

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 2023, 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- 5'.

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 2023, 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:

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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 2023.

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-6' 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 2022-23 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 2023 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-7'. 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.

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

HIMACHAL FIBRES LIMITED



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.

DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

Details relating to fees paid to the Statutory Auditors are given in Note 27 (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
2019-2020	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	28.09.2020	04:30 P.M	1
2020-2021	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	28.09.2021	04:30 P.M	0
2021-22	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	14.09.2022	04.30 P.M.	1

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

HIMACHAL FIBRES LIMITED



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 28 th 2023
Day	:	Thursday
Time	:	05.00 P.M
Venue	:	Registered office of the company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh)

FINANCIAL CALENDAR

Financial Year	:	1 st April 2022 to 31 st March 2023
Financial results were announced on:		
o August 2022	:	First Quarter
o November 2022	:	Second Quarter
o February 2023	:	Third Quarter
o May 2023	:	Audited Results

Book Closure

The dates of book closure are from September 22nd 2023 to September 28th, 2023 (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.

HIMACHAL FIBRES LIMITED



Stock Market Data

Market Price Data as compared to closing Sensex during 2022-23:

Month	High Price	Low Price	Close Price	No. of Shares	No. of Trades
Apr-22	6.25	4.93	5.36	363213	1721
May-22	5.61	4.5	5.04	184728	1276
Jun-22	5.63	4.12	4.52	252588	1688
Jul-22	5.25	4.26	4.52	164005	1086
Aug-22	6.96	4.51	5.9	582528	2039
Sep-22	6.77	5.05	5.41	245441	1079
Oct-22	6.45	4.9	5.01	246812	906
Nov-22	5.68	4.6	5.24	179059	994
Dec-22	6.21	4.15	5.68	497719	1530
Jan-23	6.2	4.53	5.1	279452	1122
Feb-23	5.5	4.26	4.72	300680	944
Mar-23	4.85	3.74	4.25	166772	873

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023.

Shareholding	Holders	Percentage %	No of shares	Percentage %
UP TO 5000	5312	96.77	2596194	3.01
5001 TO 10000	81	1.47	576763	0.67
10001 TO 20000	36	0.65	555859	0.64
20001 TO 30000	18	0.32	440012	0.51
30001 TO 40000	5	0.09	168471	0.20
40001 TO 50000	7	0.12	313515	0.36
50001 TO 100000	9	0.16	574116	0.67
100001 AND ABOVE	21	0.38	81025070	93.94

DEMATERIALIZATION OF SHARES:

As on March 31st 2023, 96.25 % of the capital comprising 83014750 shares, out of total of 8,62,50,000 shares were dematerialized. For the shareholders who have not yet dematerialised their shares or have not completed their KYC please follow the link and arrange to submit these with the RTA

<http://www.himachalfibre.com/uploads/CORPORATE%20ANNOUNCEMENTS/Announcement%20for%20Updation%20of%20KYC.pdf>

ADDRESS OF CORRESPONDENCE

Shareholders may contact:

**Mrs. Sharon Arora (Company Secretary) at
Registered Office & Works**

Corporate Office

:

:

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

HIMACHAL FIBRES LIMITED



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.

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

Sd/-

**(GIAN CHAND THAKUR)
(Wholetime Director)**

**Place: Ludhiana
Dated: September 01st 2023**

Sd/-

**(SURJIT SINGH)
(Chairman cum Independent Director)**

Annexure- 1

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023
[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,

(CIN: L17119HP1980PLC031020)

Registered Office: Plot No. 43-44, Industrial Area,

Barotowala, Himachal Pradesh-174103

Corporate Office: 8-L, Model Town,

Backside Hotel Chevron, Ludhiana, Punjab-141002

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, on test basis, 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, 2023** ('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, on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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HIMACHAL FIBRES LIMITED



- (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, 2018 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and amendments from time to time;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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, 2021; and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- 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;
 - Indian Boilers Act, 1923

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 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:

1. *Late Payment of Annual Listing Fee for 2022-23 on 11.11.2022*
2. *Late submission of XBRL for Financial Results for 30.06.2022*
3. *Delayed submission of Compliance certificates for SDD (Structured Digital Database) for the Quarter ended 31.03.2023.*

We further report that

The Board of Directors of the Company is duly constituted. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 the Company has 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. ***During the year the company had entered into One Time Settlement with SBI and have cleared all the outstanding against the Company as per the agreed terms.***

Place: Ludhiana

HIMACHAL FIBRES LIMITED



Dated: 30.08.2023

(Ansh Bhambri)
Bhambri & Associates
Company Secretary in whole time practice

UDIN: A060218E000897615
Peer review number: 2971/2023

C.P. No. 22626

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'

The Members,

HIMACHAL FIBRES LIMITED,

(CIN: L17119HP1980PLC031020)

Registered Office: Plot No. 43-44, Industrial Area,
Barotowala, Himachal Pradesh-174103

Corporate Office: 8-L, Model Town,
Backside Hotel Chevron, Ludhiana, Punjab-141002

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.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Place: Ludhiana
Dated: 30.08.2023

Sd/-

(Ansh Bhambri)
Bhambri & Associates
Company Secretary in whole time practice

UDIN: A060218E000897615
Peer review number: 2971/2023

C.P. No. 22626

Annexure- 2

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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:

There were no contracts or arrangements or transactions entered into during the year ended on March 31st 2023, 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- 3

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

(A) Conservation of Energy –

- 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.
- The steps taken by the company for utilizing alternate sources of energy** : NIL
- 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 –

- 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.
- The benefit derived like product improvement, cost reduction, product development or import substitution:** NONE
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :**
NONE
 - The details of technology imported;
 - The year of import;
 - Whether the technology been fully absorbed;
 - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- 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

	2022-23 (12 Months) (Rs./Lacs)	2021-22 (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 – 4

HIMACHAL FIBRES LIMITED



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. 2022-23	Mr. Gian Chand Thakur	3.26
	Mrs. Malkeet Kaur	0.09
	Mr. Manoj Kumar	0.09
	Mr. Surjit Singh	0.09
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	0%
	Mrs. Malkeet Kaur	0%
	Mr. Manoj Kumar	0%
	Mr. Surjit Singh	0%
	CFO	
	Mr. Navrattan Sharma	0%
	COMPANY SECRETARY	
iii. The percentage increase in the median remuneration of employees in the financial year	Mrs. Laxmi Khatri	0%
		-51.76 %
iv. The number of permanent employees on the rolls of company as on March 31 st 2023		300
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 (0 %) and for other employees were about -51.76. 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	It is affirmed 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 – 5

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.

HIMACHAL FIBRES LIMITED



- ❖ 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 same meaning as provide 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

HIMACHAL FIBRES LIMITED



- ❖ 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:

HIMACHAL FIBRES LIMITED



- 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 – 6

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.

HIMACHAL FIBRES LIMITED



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 – 7

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 2023.

Sd/-

Place: Ludhiana
Date: 01.09.2023

Gian Chand Thakur
Whole time Director
DIN: 07006447

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 2023, 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 2023, 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

We draw attention to Note 5 to the standalone financial statements, 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.1015.87 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 2023.

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.

Key Audit Matter	Auditor's Response
The company has shown Trade Receivables-Unsecured, Considered good amounting to Rs.726.20 Lakhs as Other Non-Current Assets. See Note 4 of the standalone financial statements.	The procedures performed included the following among others: <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: -

- 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 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act;

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

g) In our opinion, the managerial remuneration for the year ended March 31, 2023 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 2023.

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;

v. The Company has not declared/paid any dividend to the shareholders.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

DATED: 30.05.2023
PLACE: LUDHIANA

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

“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, 2023:

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, 2023.

(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, 2023 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, 2023 for a period of more than six months from the date they became payable except following:-

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	8.25
4	Employee's Provident Fund Act, 1952	EPF Payable	30.30
5	Finance Act, 2005	Service Tax Payable	0.04
6	Income Tax Act, 1961	TDS/TCS Payable	1.19

b) In our opinion and according to the information and explanations given to us, the Company has no statutory dues referred to in sub-clause (a) above which is pending for deposit as on March 31, 2023 on account of dispute.

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 was in default against credit facilities availed from State Bank of India since 31.03.2021. However the company has repaid the settled dues State Bank of India during the year under review as per the Compromise settlement vide its letter No. SAMB/HFL/2021-22/958 dated 28.03.2022.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has raised afresh term loan of Rs.6.00crores from JFC Finance (India) Limited during the year under review to repay the comprise settlement amount to State Bank of India.

(d) The Company has not raised any fresh short term loan during the year. 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.

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(fullypartially 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 upto 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 not incurred any cash losses during the financial year covered by our audit. However it has incurred cash losses of Rs.519.90 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.

**FOR MANJUL MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG.NO.028039N**

**DATED:
PLACE: LUDHIANA**

**MANJUL MITTAL
PARTNER
(M.NO.500559)
UDIN:**

“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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

**FOR MANJUL MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 028039N**

**DATED:
PLACE: LUDHIANA**

**MANJUL MITTAL
PARTNER
(M.NO.500559)
UDIN:**

Himachal Fibres Limited				
Balance Sheet as at 31st March 2023				(Rs. In Lakhs)
Particulars	Note No.	As at 31.03.2023		As at 31.03.2022
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	1,184		1,419.30
(b) Capital Work in Progress		-		-
(c) Right-of-use assets	41	6.07		6.18
(d) Financial Assets				
(i) Others Financial Assets		-		-
(e) Deferred tax assets (net)		182.76		188.26
(f) Other non-current assets	4	1,770.12	3,143.21	1,813.15
				3,426.88
Current assets				
(a) Inventories	5	598.97		628.42
(b) Financial Assets				
(i) Trade receivables	6	809.09		1,171.98
(ii) Cash and cash equivalents	7	16.18		6.79
(c) Current Tax Assets (Net)	8	37.81		35.16
(d) Other Current Assets	9	62.28	1,524.34	183.17
				2,025.52
Total Assets			4,667.55	5,452.40
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	862.50		862.50
(b) Other Equity	11	1,363.23	2,225.73	1,054.81
				1,917.31
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	56.59		49.64
(ii) Other Long Term Liabilities	13	742.75		645.23
(b) Provisions	14	18.66	818.01	23.00
				717.88
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	600.00		1,762.31
(ii) Trade Payables	16	52.99		45.30
(iii) Other financial liabilities	17	161.33		370.55
(b) Other current liabilities	18	787.39		616.88
(c) Provisions	19	22.11	1,623.81	22.17
				2,817.21
Total Equity and Liabilities			4,667.55	5,452.40
			(0)	(0)
For Manjul Mittal & Associates				
Chartered Accountants				
Firm Reg.No.028039N				
MANJUL MITTAL		GIAN CHAND THAKUR		MANOJ KUMAR
PARTNER		(WHOLE TIME DIRECTOR)		(DIRECTOR)
M.NO. 500559		DIN:07006447		DIN:06872575
LUDHIANA		SEBASTIAN JOSEPH		LAXMI KHATRI
Date: 30.05.2023		(CFO)		(COMPANY SECRETARY)

Himachal Fibres Limited				
Statement of Profit and Loss for the year ended 31st March 2023			(Rs. In Lakhs)	
Particulars	Note No.	For the year ended 31.03.2023	For the year ended 31.03.2022	
REVENUE				
Revenue from operations	20	2,683.29		2,728.98
Other Income	21	89.93		121.26
Total Income		2,773.22		2,850.23
EXPENSES				
Cost of materials consumed	22	1,439.72		1,479.84
Purchases of Stock-in-Trade		-		-
Changes in inventories of finished goods and work-in-progress	23	63.46		526.32
Employee benefits expense	24	489.49		617.05
Finance costs	25	116.51		255.09
Depreciation expense	26	156.40		180.71
Other expenses	27	513.87		511.64
Total Expenses		2,779.45		3,570.65
Profit/ - Loss before exceptional items and tax		(6.23)		(720.42)
Exceptional items-Expenses/(Income)		(304.76)		-
Profit/ - Loss before tax		298.53		(720.42)
Less: tax expense:				
(1) Current tax		-		-
(2) Deferred tax		5.50		(33.31)
Profit/ - Loss for the period		293.03		(687.11)
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss		15.39		19.80
(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		308.42		(667.31)
Earnings per equity share:				
(Nominal value of equity share - Rupee 1/-)				
Basic		0.34		(0.80)
Diluted		0.34		(0.80)
For Manjul Mittal & Associates				
Chartered Accountants				
Firm Reg.No.028039N				
MANJUL MITTAL		GIAN CHAND THAKUR		MANOJ KUMAR
PARTNER		(WHOLE TIME DIRECTOR)		(DIRECTOR)
M.NO. 500559		DIN:07006447		DIN:06872575
LUDHIANA		SEBASTIAN JOSEPH		LAXMI KHATRI
Date: 30.05.2023		(CFO)		(COMPANY SECRETARY)

HIMACHAL FIBRES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2023

	PARTICULARS	Amount (Rs.in Lakhs)	
		Figures at the end of Current Reporting Year 31.03.2023	Figures at the end of Current Reporting Year 31.03.2022
A.	CASH FLOW FROM/USED IN OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	0.00	(0.01)
	ADJUSTMENTS FOR:		
	DEPRECIATION	0.00	0.00
	MISCELLENOUS EXPENSES WRITTEN OFF		
	INTEREST EXPENSES	0.00	0.00
	INTEREST INCOME	(0.00)	(0.00)
	LOSS ON SALE OF ASSETS	0.00	0.00
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	0.01	(0.00)
	ADJUSTMENTS FOR:		
	(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	0.01	3,127.02
	(INCREASE)/DECREASE IN INVENTORIES	0.00	528.59
	INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	(0.00)	(308.42)
	CASH GENERATED FROM OPERATIONS	0.01	3,347.18
	INCOME TAX PAID	-	-
	NET CASH FROM/USED IN OPERATING ACTIVITIES	0.01	3,347.18
B.	CASH FLOW FROM/USED IN INVESTING ACTIVITIES		
	PURCHASE OF FIXED ASSETS	-	(4.14)
	SALE OF FIXED ASSETS	76.50	75.66
	INTEREST RECEIVED	0.00	0.00
	NET CASH FROM/USED IN INVESTING ACTIVITIES	76.50	71.52
C.	CASH FLOW FROM/USED IN FINANCING ACTIVITIES		
	(REPAYMENT) RECEIPT OF LONG TERM BORROWINGS	0.00	(744.61)
	CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS	(0.01)	(1,857.19)
	INTEREST PAID	(0.00)	(0.00)
	NET CASH FROM/USED IN FINANCING ACTIVITIES	(817.28)	(3,419.07)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLANTS	(740.77)	(0.37)
	OPENING CASH AND CASH EQUIVALENTS	6.20	6.58
	CLOSING CASH AND CASH EQUIVLALENTS	(734.56)	6.20

Dated- 30th May, 2023
Place- Ludhiana

Gian Chand Thakur
(Whole Time Director)
DIN: 07006447

Himachal Fibres Limited

Notes to financial statements for the year ended 31st March 2023

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, 2023.

(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

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 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.

– **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 for 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

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)

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 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 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

Note No.	Description of assets	Gross carrying amount		Depreciation			Net carrying amount				
		As at 01.04.2022	Additions during the period	Disposal	As at 31.12.2022	Opening accumulated depreciation	Depreciation for the year	Eliminated on disposal of assets	Closing accumulated depreciation	As at 31.03.2023	As at 31.03.2022
3.	Property, plant and equipment										
	At Works										
	Freehold Land	82,239	-	-	82,239	-	-	-	-	82,239	82,239
	Total	82,239	-	-	82,239	-	-	-	-	82,239	82,239
	Buildings	13,04,74,683	-	-	13,04,74,683	7,38,40,966	34,26,368	-	7,72,67,334	5,32,07,349	5,66,33,717
	Plant and equipment	40,91,67,942	-	3,31,30,761	37,60,37,181	32,44,29,286	1,21,11,608	2,52,56,443	31,12,84,451	6,47,52,730	8,47,38,656
	Furniture and fixtures	18,47,782	-	-	18,47,782	18,10,183	2,777	-	18,12,960	34,822	37,599
	Vehicles	35,68,646	-	-	35,68,646	34,42,721	-	-	34,42,721	1,25,925	1,25,925
	Office equipments	6,29,322	-	-	6,29,322	5,97,855	-	-	5,97,855	31,467	31,467
	Computers	9,24,215	-	-	9,24,215	8,69,401	8,602	-	8,78,003	46,212	54,814
	Mobile Phones	34,718	-	-	34,718	32,982	-	-	32,982	1,736	1,736
	Electrical Fittings	5,81,453	-	-	5,81,453	5,35,122	17,259	-	5,52,381	29,072	46,331
	Weighing Machines	85,428	-	-	85,428	47,611	5,630	-	53,241	32,187	37,817
	Tubewell	3,24,815	-	-	3,24,815	3,08,574	-	-	3,08,574	16,241	16,241
	At Ludhiana Office										
	Office equipments	42,526	-	-	42,526	40,400	-	-	40,400	2,126	2,126
	Computers	5,80,394	-	-	5,80,394	5,07,383	43,991	-	5,51,374	29,020	73,011
	Mobile Phones	1,49,288	-	-	1,49,288	1,01,099	13,525	-	1,14,624	34,664	48,189
	Total	54,84,93,451	-	3,31,30,761	51,53,62,690	40,65,63,583	1,56,29,760.00	2,52,56,443	39,69,36,900	11,84,25,790	14,19,29,868

Himachal Fibres Limited				(Rs. In Lakhs)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023				
Note No.	Particulars	As at		As at
		31.03.2023		31.03.2022
4.	Other non-current assets			
	Capital Advances		6.40	6.40
	Security deposits		21.65	21.65
	Trade receivables			
	-Unsecured, considered good :			
	Less than 6 months		-	-
	6 Months to 1 Year		-	-
	1-2 Years	-		207
	2-3 Years	207.33		250
	More than 3 Years	518.87	726.20	270
	-Doubtful			-
	Less: Allowance for Doubtful receivables			-
	Long Term Debtors		726.20	727.69
	Slow Moving Inventories		1,015.87	1,057.40
	Total		1,770.12	1,813.15
5.	Inventories			
	(Refer note no. 2 (h) for mode of valuation)			
	Raw materials		132.45	111.67
	Work-in-progress		71.82	18.59
	Finished goods		1,089.40	1,206.09
	Stock-In-Trade		63.25	63.25
	Stores and spares		257.92	286.22
			1,614.84	1,685.82
	Less: Slow Moving Inventories (Non Current)		1,015.87	1,057.40
	Total		598.97	628.42
6.	Trade receivables			
	Unsecured, considered good :			
	Related Parties - Where Director is Director or Member			
	(I) Undisputed Trade Receivable - Considered Good			
	Less than 6 months	100.34		1,170.74
	6 Months to 1 Year	708.75		1.23
	1-2 Years	-		-
	2-3 Years	-		-
	More than 3 Years	-	809.09	-
	Other Parties			
	(II) Undisputed Trade Receivable - Considered Doubtful			-
	(III) Disputed Trade Receivable - Considered Good			-
	(iv) Disputed Trade Receivable - Considered Doubtful			-
			809.09	1,171.98
	Less: Provision for Doubtful Debts		-	-
	Total		809.09	1,171.98
	Doubtful			
	Less: Provision for Life Time Expected Credit Loss			
	Others		-	-
	Total		809.09	1,171.98
	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		10.94	0.00
	Cheque in Hand		5.00	2.40
	Cash in hand		0.24	4.39
	Total		16.18	6.79
8.	Current Tax Assets (Net)			
	TDS/ TCS Recoverable		37.81	35.16
	Total		37.81	35.16
9.	Other current assets			
	Advances to suppliers of goods and services			
	Other Parties		40.78	39.87
	Other advances Recoverable in Cash or Kind		2.88	6.72
	Input VAT Credit (HP)		0.04	0.04
	Input VAT Credit (Punjab)		0.03	0.03
	GST Input (HP and Punjab)		18.55	136.51
	Total		62.28	183.17

Himachal Fibres Limited				
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023				
Note No.	Particulars	As at 31.03.2023		As at 31.03.2022
10.	Equity Share capital			
	Authorised			
	<i>Equity Shares</i>			
	- 17,50,00,000(PY 17,50,00,000) Equity Shares for Re. 1/- EACH		1,750.00	1,750.00
	<i>Preference Shares</i>			
	- 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
	Issued, Subscribed & Paid Up Equity Shares			
	- 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
	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 and amount at the beginning	862.50	862.50	862.50
	Add : Shares issued	-	-	-
	Number of shares and amount at the end		862.50	862.50
	Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of 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
	Balmukhi Textile P Ltd.	1,31,80,500	15.28	1,31,80,500 15.28
	Brijeshwari Textiles P Ltd.	1,31,80,500	15.28	1,31,80,500 15.28
	Shiva Spinfab P Ltd.	1,36,80,500	15.86	1,36,80,500 15.86
	Himachal Yarns Ltd.	96,10,050	11.14	96,10,050 11.14
	Shiv Narayan Investments P Ltd.	89,99,750	10.43	89,99,750 10.43
	Garg Fincap Ltd.	67,15,000	7.79	67,15,000 7.79
	Mr. Akhil Malhotra	50,00,000	5.80	50,00,000 5.80
		7,03,66,300	81.59	7,03,66,300 81.59
	Promoters' share holding*			
	1) Indian			
	a) Individual			
	Akhil Malhotra	50,00,000	579710.14%	50,00,000 579710.14%
	Mayank Malhotra	20,00,000	231884.06%	20,00,000 231884.06%
	Sub Total	70,00,000		70,00,000
	b) Other body Corporates			
	Balmukhi Textiles Private Limited	1,31,80,500	1528173.91%	1,31,80,500 1528173.91%
	Brijeshwari Textiles Private Limited	1,31,80,500	1528173.91%	1,31,80,500 1528173.91%
	Shiva Spinfab Private Limited	1,36,80,500	1586144.93%	1,36,80,500 1586144.93%
	Sub Total	4,00,41,500		4,00,41,500
	Total Shareholding of Promoter and Promotor Group	4,70,41,500		4,70,41,500
	*Note: There is no Change in Promoter's Holding during the year under review.			
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 instalment 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
	Retained Earnings			
	Balance at the beginning of the year	(2,981.40)		(2,314.09)
	Add: Profit/(Loss) for the year	308.42		(667.31)
	Balance at the end of the Year	(2,672.98)	(2,672.98)	(2,981.40)
	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	
	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		1,363.23	1,054.81

Himachal Fibres Limited					
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023					
Note No.	Particulars	As at 31.03.2023		As at 31.03.2022	
12.	Borrowings				
	Secured Flexi Loan				
	JFC Finance (India) Limited	600.00		-	
	Less: Current maturities of long term loans	600.00	-	-	-
	Unsecured Loans				
	Inter Corporate Deposits	525.00		525	
		525.00		525	
	Less: Equity Portion of Unsecured Loan	(502.38)		(502)	
	Add: NPV of Interest on Unsecured Loans	33.98	56.59	27	49.64
	Total		56.59		49.64
	(A) Secured Flexi Loan from JFC Finance (India) Ltd 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 1st 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 Pref Share Capital		742.75		645.23
	Total		742.75		645.23
14.	Provisions				
	Provision for Employee Benefits				
	Gratuity		18.66		23.00
	Total		18.66		23.00
15.	Borrowings				
	(Secured, Considered Good)				
	Cash Credit Account (Secured)	1,501.49		1,701	
	WCTL Account (Secured)	260.82		261	
	Total	1,762.31		1,962	
	Less:- Paid under OTS	1,572.00		200	
		190.31		1,762	
	Amount transferred to Profit & Loss account-Exceptional Items	190.31		-	
	Current maturities of borrowings due within next 12 months	-	-	1,572	190.31
	Current maturities of borrowings due within next 12 months		600.00		1,572.00
	Total		600.00		1,762.31
	*State Bank of India vide its letter No.SAMB/HFL/2021-22/958 dated 28.03.2022 has sanctioned Comprise 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) Secured Flexi Loan from JFC Finance (India) Ltd 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 1st charge on entire Current Assets of the Company and Personal Guarantee of Promoters of the Company namely Sh. Akhil Malhotra and Sh. Mayank Malhotra.				
16.	Trade payables				
	Creditors other than Micro and small Enterprises				
	(i) MSME				-
	(II) Others				
	- Less than 1 year	41.91		41.09	
	- 1-2 years	7.99		2.65	
	- 2-3 years	1.32		0.46	
	- More than 3 year	1.77	52.99	1.09	45.30
	(III) Disputed Dues - MSME		-		-
	(IV) Disputed Dues -Others		-		-
	Total		52.99		45.30
17.	Other financial liabilities				
	Others				
	-Employees Dues		101.63		104.63
	Other Expenses Payable		59.70		265.91
	Total		161.33		370.55
18.	Other current liabilities				
	Statutory Dues Payable				
	- Provident Fund		36.90		24.31
	- Employee State Insurance (ESI)		10.72		6.42
	- Tax Deducted at Source		3.80		4.09
	- Service Tax		0.04		0.04
	- Work Contract Tax		1.36		1.36
	Other Liabilities Payable		716.88		568.71
	Cheques Issued But Not Presented		17.70		11.95
	Total		787.39		616.88
19.	Provisions				
	Provision for employee benefits				
	- Gratuity		0.27		0.33
	Income Tax Payable		21.84		21.84
	Total		22.11		22.17

Himachal Fibres Limited			
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023			
Note No.	Particulars	As at 31.03.2023	As at 31.03.2022
20.	Revenue from operations		
	Sale of products	2,621.70	2,681.67
		2,621.70	2,681.67
	Other operating revenues		
	Sale of waste	50.39	32.25
	Sale of Stores & Spares	10.96	11.53
	Sale of scrap	0.24	3.52
		61.59	47.31
	Total	2,683.29	2,728.98
21.	Other income		
	Interest income	0.51	0.52
	Misc income	0.09	0.16
	Other Non -operative Income	88.21	100.76
	Sundry Balances Written Back	# 1.12	19.82
	Total	89.93	121.26
22.	Cost of materials consumed		
	Cost of raw materials consumed		
	Opening stock of raw materials	111.67	99.69
	Add: purchase of raw materials	1,460.50	1,491.81
		1,572.17	1,591.51
	Less :		
	Closing stock of raw materials	# 132.45	111.67
	Cost of materials consumed - Total	1,439.72	1,479.84
23.	Changes in inventories of finished goods and work-in-progress		
	Closing inventories		
	Finished goods	1,128.14	1,243.39
	Saleable waste	24.51	25.95
	Work-in-progress	71.82	18.59
	Stock-in-trade	-	-
		1,224.47	1,287.93
	Opening inventories		
	Finished goods	1,243.39	1,796.47
	Saleable waste	25.95	7.70
	Work-in-progress	18.59	10.08
	Stock-in-trade	-	-
		1,287.93	1,814.25
	(-) Increase/ decrease in inventories of finished goods and work-in-progress		
	Finished goods	115.25	553.08
	Saleable waste	1.44	(18.25)
	Work-in-progress	(53.23)	(8.51)
	Stock-in-trade	-	-
	Changes in inventories of finished goods and	63.46	526.32

Himachal Fibres Limited				
NOTES TO FINANCIAL STATEMENTS FOR				
Note No.	Particulars		As at 31.03.2023	As at 31.03.2022
24.	Employee benefits expense			
	Salaries, wages and bonus		440.02	554.44
	Contribution to provident fund and other funds		10.03	13.08
	Gratuity expense		10.98	12.63
	Staff welfare expenses		1.10	3.32
	Bonus		15.77	19.52
	Compensated Absences		11.58	14.05
	Total		489.49	617.05
25.	Finance costs			
	Interest		10.94	163.84
	Interest exp.s as per IND AS		-	0.21
	Interest on Preference Shares		97.52	84.80
	NPV of Interest on Unsecured Loans		6.95	6.10
	Less: Interest Income		-	-
	Bank Charges		0.10	0.14
	Processing Charges		1.00	-
	Total		116.51	255.09
26.	Depreciation Expense			
	Depreciation on property, plant and equipment (refer note no. 3)		156.30	180.60
	Depreciation of Right of use assets (refer note no. 3A)		0.11	0.11
	Total		156.40	180.71
27.	Other expenses			
	Manufacturing Expenses			
	Power & Electricity		270.25	307.37
	Fuel Consumed		7.72	7.16
	Oil & Lubricants		18.51	9.05
	Store & Spares Consumed		46.75	43.55
	Freight & Cartage Inwards		0.43	0.84
	Lease Rent Machinery		1.00	15.98
	Machinery Repair		54.15	47.90
			398.80	431.84
	Administrative Expenses			
	Remuneration of Auditors			
	(a) As Auditor		2.00	2.00
	Board Meeting Expenses		0.30	0.30
	Computer Repair & Expenses		0.04	0.12
	Director's Remuneration		-	3.60
	Fees Subscription & Taxes		16.14	2.42
	Festival/ Worship Expenses		0.05	0.05
	Fine & Penalty		-	10.56
	General & Miscellaneous Expenses		0.02	0.12
	Insurance Expenses		3.24	5.66
	Legal & professional Expenses		35.28	10.09
	Loss on sale of Assets		2.24	7.88
	Printing & Stationary Expenses		1.60	0.23
	Rent Expenses		1.32	1.32
	Repair & Maintenance		22.50	5.38
	Telephone, Fax, Internet & Postage Expenses		0.92	1.31
	Travelling Expenses		1.24	0.55
	Vehicle Running & Maintenance		10.15	13.36
			97.04	64.94
	Selling Expenses			
	Advertisement Expenses		0.60	0.52
	Freight & Cartage Outwards		16.50	13.16
	Packing & Handling Expenses		0.93	1.18
			18.04	14.86
	Total		513.87	511.64

Himachal Fibres Limited						
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023						
Note No.	Particulars	Numerator	31st March 2023	Denominator	31st March 2022	
28.						
(a)	Current Ratio	Current assets	0.94	Current liabilities	0.72	
(b)	Debt – Equity Ratio	Total Debt	0.143	Shareholder's Equity	0.162	
(c)	Debt Service Coverage Ratio	Earnings available for debt service	0.00	Debt Service	(0.00)	
(d)	Return on Equity (ROE)	Net Profit	13.86%	Shareholder's Equity	-34.80%	
(e)	Inventory Turnover Ratio	Cost of Goods Sold	0.00	Average Inventory	0.00	
(f)	Trade receivables turnover ratio	Revenue From Operations	0.00	Average Trade Receivable	0.00	
(g)	Trade payables turnover ratio	Purchases	0.00	Average Trade Payables	4.39	
(h)	Net capital turnover ratio	Total Income	1.25	Shareholder's Equity	1.49	
(i)	Net profit ratio	Net Profit	11.12%	Total Income	-23.41%	
(j)	Return on capital employed (ROCE)	Earning before	4.13%	Capital Employed	-16.91%	
(k)	Return on Investment(ROI)	Income generated from investments	NA	Time weighted average investments	NA	
	Reasons for variance of more than 25%					
(c)	During the year under review, poor cash flows have resulted into deterioration of DSCR.					
(d)						
(g)	During the year under review, Increase in Turnover and decrease in Average Trade Payables have resulted into increase of Trade Payables Turnover ratio.					
(i)	During the year under review, Increase in Total Income has resulted into increase of Net Capital Turnover ratio.					
(j)						

HIMACHAL FIBRES LTD.**29. Contingent liability not provided for:****(Rupees in Lakhs)**

Particulars	As At 31.03.2023	As At 31.03.2022
Entry Tax with H.P.Excise and Taxation Deptt.	70.80	70.80
Processing Fees of Dy.Director of Industries, Solan	229.75	218.73
Right to Recompense with State Bank of India	0	591.00
Income Tax Act 1961 (AY 2017-18)	0	355.53
Total	300.55	1236.03

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 :-

(Rupees in Lakhs)

Name of Directors/Managers	Designation	Remuneration	
		2022.23	2021.22
Sh. Gian Chand Thakur	Whole Time Director	0.00	3.60

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:-

(Rupees in Lakhs)

Particulars	As At 31.03.2023	As At 31.03.2022
Profit/(Loss) attributable to equity shareholders (A)	293.03	-687.10
Less: Preference Dividend for the year	0	0.00
Earnings Attributable to Equity shareholders	293.03	-687.10
Weighted average number of equity shares (Nos) (B)	86250000	86250000
Earning per shares (Rs per share) (face value of Rs.1 each)(A)/(B)	0.33	(0.80)
Diluted earnings per share	0.33	(0.80)

33. Deferred Taxation

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

Net Deferred Tax Asset as on 31st March, 2023 has been recognized by applying the tax rate applicable for the current financial year as under:-

(Rupees in Lakhs)

Sr. No.	Particulars	Deferred Tax	
		Debit	Credit
1.	Deferred Tax Assets as on 01.04.2022	18825915/-	--
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 2022-23	---	550064/-
3.	Net Deferred Tax Assets as on 31.03.2023	18275851/-	--

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. Sebastian Joseph (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, 2023.

(Rupees in Lakhs)

Particulars	Enterprises that are under common control as the company		Key management personnel	
	As At 31.03.2023	As At 31.03.2022	As At 31.03.2023	As At 31.03.2022
Director Sitting fees	--	--	0.30	0.30
Remuneration	--	--	0.00	3.60

35. In the opinion of the management of the company, the current assets, loans & advances have a value, if realized, in the ordinary course of business, at least equal to that stated in the Balance Sheet.

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

37. The company had defaulted on payments of its debt obligations to its lender leading to its borrowing being classified as NPA the State Bank of India as on 31.03.2021. State Bank of India vide its letter No.SAMB/HFL/2021-22/958 dated 28.03.2022, has sanctioned One Time Compromise settlement for an 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. The said amount has been repaid by the company 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 compromise settlement with State Bank of India vide their letter No.SAMB/HFL/2021-22/958 dated 28.03.2022. During the current year, after paying the interest, balance amount has been transferred to Profit & Loss account under the head 'Exceptional Items'.

39. The company has not submitted any quarterly returns or statements of current assets to State Bank of India since the accounts of the company were classified as NPA by State Bank of India during the year under reference.

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, 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)	
	2022-23	2021-22
Depreciation expenses of right-of-use assets	0.11	0.11
Expenses relating to short term leases (included in other expenses)	2.32	17.30
Total	2.43	17.41

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 31.03.2023 are shown under the other current liabilities at Note no.18.

43. Payment to Auditors:-

Particulars	(Rupees in Lakhs)	
	As At 31.03.2023	As At 31.03.2022
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 2023	FY 2022
Shiva Textfabs Ltd	1109.34	2360.62
Vinayak International	1548.27	333.54

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

	31/03/2023	31/03/2022
i) Discounting Rate	7.40	7.26
ii) Future salary Increase	5.00	5.00
iii) Expected Rate of return on plan assets	0.00	0.00

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	31/03/2023	31/03/2022
A	Present value of obligation	18.93	23.34
B	Fair value of plan assets	--	--
C	Net assets / (liability) recognized in balance sheet as provision	(18.93)	(23.34)

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

(Rupees in Lakhs)

		31/03/2023	31/03/2022
a)	Current liability (Amount due within one year)	0.27	0.33
b)	Non-Current liability (Amount due over one year)	18.66	23.01
c)	Total PBO at the end of year	18.93	23.34

b. Provident Fund

During the year the company has recognized an expense of Rs. 6.54 Lakhs (Previous Year Rs. 9.44 Lakhs) 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. 11.58 Lakhs and Rs. 15.77 Lakhs respectively (Previous Year 14.05 Lakhs and Rs. 19.52 Lakhs respectively)

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

On behalf of the board

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

Manjul Mittal
Partner
M.NO. 500559

Manoj Kumar
(Director)
DIN: 06872575

Gian Chand Thakur
(Whole Time Director)
DIN:07006447

30.05.2023
Ludhiana

Laxmi Khatri
(Company Secretary)

Sebastian Joseph
(CFO)



42nd

Annual General Meeting of the Company



Google Maps code: WR3P+R7 Barotiwala, Himachal Pradesh

30.904801697382478, 76.8355952509479

<https://goo.gl/maps/H3MdrBgiv8Hu9Ln7>

HIMACHAL FIBRES LIMITED



HIMACHAL FIBRES LIMITED

Regd. Office: Plot No. 43-44, Industrial Area,
Barotiwala-174103 (Himachal Pradesh)
(CIN: L17119HP1980PLC031020)

ATTENDANCE SLIP

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Member's Folio No

Client ID No.

DP ID No.

Name of the Member

Name of Proxy holder

No of shares held

I hereby record my presence at the 42nd Annual General Meeting of the Company held on Thursday, the 28th day of September, 2023 at 05:00 p.m. at the registered office of the Company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh).

Signature of Member/Proxy

Notes :

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



HIMACHAL FIBRES LIMITED



HIMACHAL FIBRES LIMITED

Regd. Office: Plot No. 43-44, Industrial Area,
Barotiwala-174103 (Himachal Pradesh)
(CIN: L17119HP1980PLC031020)

PROXY FORM

Member's Folio No : _____

I/We _____ of _____ in the district of _____ being a member/members of **HIMACHAL FIBRES LIMITED**, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company held on Thursday, the 28th day of September, 2023 at 05:00 p.m. at the registered office of the Company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh). and at any adjournment thereof.

Signed this _____ day of _____ 2023.

Affix Re. 1/-
Revenue Stamp
here

Note :

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

No.	Resolution	For	Against
1.	To receive, consider and adopted audited financial statements along with reports of the Board of Directors and Auditors thereon for the financial year ended 31 st March, 2023. (Ordinary Resolution)		
2.	To consider and approve, with or without modification, the appointment of Mr. Gian Chand Thakur (DIN: 07006447), who retires by rotation and being eligible, offers himself for reappointment. (Ordinary Resolution).		
3.	To issue of Warrants Convertible into Equity Shares to the proposed allottees, on a Preferential Basis. (special resolution)		

