

**Annual Report
2021-22**

**P. N. GADGIL
& SONS**

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**P. N. GADGIL & SONS LIMITED
[CIN: U36911PN2017PLC173262]**

P. N. GADGIL & SONS

1832

5TH ANNUAL GENERAL MEETING

BOARD OF DIRECTORS:

Executive Directors:

Govind Vishwanath Gadgil
(Chairman & Whole Time Director)
Renu Govind Gadgil
(Whole Time Director)
Amit Yeshwant Modak
(Whole Time Director & Chief Executive Officer)

Non-Executive Director:

Udaya Narayan Kalkundrikar

Company Secretary

Apurva Aniruddha Joshi

Independent Directors:

Ashish Chandrakant Khandelwal
Ranjeet Sadashiv Natu
Ashok Namdeo Gokhale
Ashutosh Vilas Nanal

Chief Financial Officer:

Aditya Amit Modak

Auditors:

M/s Shah & Taparia, Chartered Accountants
B- 502, Business square, Solitaire Corporate Park,
Chakala, Andheri (E), Mumbai- 400093

Secretarial Auditor:

Avanti Rajwade, Company Secretary
804 B, Rajwade House,
Lane No 14, Bhandarkar Road,
Deccan Gymkhana
Pune- 411004

Bankers:

SVC Co-Operative Bank Limited
HDFC Bank Limited
Bank of Baroda
Federal Bank
Yes Bank Limited

Registered Office:

Abhiruchi Mall, S. No. 59/1-C, Wadgaon (BK),
Sinhagad Road, Pune-411041

Contact Details:

Email Id: info@pngsl.com
Website: www.pngadgilandsons.com
Phone No. : 020-24612000
Fax No. : 020-24612185

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NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting (AGM) of P. N. GADGIL & SONS LIMITED (the Company) will be held at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune-411041 on Monday, 25th July, 2022 at 12:30 pm to consider and transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr. Amit Yeshwant Modak (DIN: 00396631), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3 Acceptance of Public Deposits

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 73, 76 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to invite, accept and/renew unsecured fixed deposits from the members of the Company and from the Public within the limits prescribed in the Act and the overall borrowing limits of the Company as approved by the Members from time to time.

RESOLVED FURTHER THAT, in the event of any revision in the limits prescribed under Section 73, 76 of the Companies Act, 2013 and/or rules laid down there under for acceptance of deposits to include any such revision as if it was originally approved by members in this Annual General Meeting.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to finalize the scheme for the invitation and acceptance of unsecured fixed deposits from the Members of the Company and the Public and to sign and execute deeds, applications and documents that may be required on behalf of the Company and generally to do all such other acts, deeds matters and things as may be necessary, proper, expedient or incidental to give effect to this resolution.”

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4 Revision in Remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617), Whole time Director

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

“RESOLVED THAT in partial modification of resolution passed in the Extra Ordinary General Meeting of the Company held on **30th August, 2019** for change in terms and conditions of appointment of **Mr. Govind Vishwanath Gadgil** (DIN: 00616617), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s) and permission(s) of various authorities, as may be required, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mr. Govind Vishwanath Gadgil, Whole time Director by way of increase in remuneration (which includes salary, perquisites, performance based rewards / incentives etc.) payable to him from an amount not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores) p.a. to an amount not exceeding Rs. 15,00,00,000/- (Rupees Fifteen Crores) p.a., for a period 1st April 2022 to 4th December 2022, with other terms and conditions of employment as approved at the Extra Ordinary General Meeting of the Company held on **30th August, 2019** remaining unchanged.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration of Mr. Govind V Gadgil within the aforesaid revised limit of 15,00,00,000/- (Rupees Fifteen Crores) p.a. with effect from 1st April, 2022 to the extent the Board may consider appropriate, at its sole discretion.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Govind V Gadgil, Whole Time Director, the remuneration by way of salary, perquisites, performance based rewards / incentives etc. as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak, Whole Time Director & CEO (DIN: 00396631) and Mrs. Apurva Joshi, (M. No. A32972) Company Secretary of the Company be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

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5 Revision in Remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole time Director

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

“RESOLVED THAT in partial modification of resolution passed in the Extra Ordinary General Meeting of the Company, held on **30th August, 2019**, for change in terms and conditions of appointment of **Mrs. Renu Govind Gadgil** (DIN: 07412955), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s) and permission(s) of various authorities, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mrs. Renu Govind Gadgil, Whole time Director by way of increase in remuneration (which includes salary, perquisites, performance based rewards / incentives etc.) payable to her from an amount not exceeding Rs. 6,00,00,000/- (Rupees Six Crores) p.a. to an amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crores) p.a., for a period 1st April 2022 to 4th December 2022, with other terms and conditions of employment as approved at the Extra Ordinary General Meeting of the Company held on **30th August, 2019** remaining unchanged.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration of Mrs. Renu Govind Gadgil within the aforesaid revised limit of Rs. 12,00,00,000/- (Rupees Twelve Crores) p.a. with effect from 1st April, 2022 to the extent the Board may consider appropriate, at its sole discretion.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during her tenure, the Company shall pay to Mrs. Renu Govind Gadgil, Whole Time Director, the remuneration by way of salary, perquisites, performance based rewards / incentives etc. as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak, Whole Time Director & CEO (DIN: 00396631) and Mrs. Apurva Joshi, (M. No. A32972) Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

6 Revision in Remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631), Whole time Director

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

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“RESOLVED THAT in partial modification of resolution passed in the Extra Ordinary General Meeting of the Company, held on **18th April 2018**, for change in terms and conditions of appointment of **Mr. Amit Yeshwant Modak** (DIN: 00396631), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s) and permission(s) of various authorities, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mr. Amit Yeshwant Modak, Whole time Director by way of increase in remuneration (which includes salary, perquisites, performance based rewards / incentives etc.) payable to him from an amount not exceeding Rs. 2,00,00,000/- (Rupees Two Crores) p.a. to an amount not exceeding Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lakhs) p.a., for a period 1st April 2022 to 4th December 2022, with other terms and conditions of employment as approved at the Extra Ordinary General Meeting of the Company held on **18th April 2018** remaining unchanged.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration of Mr. Amit Yeshwant Modak within the aforesaid revised limit of Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lakhs) p.a. with effect from 1st April, 2022 to the extent the Board may consider appropriate, at its sole discretion.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Amit Yeshwant Modak, Whole Time Director, the remuneration by way of salary, perquisites, performance based rewards / incentives etc. as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Mr. Govind Vishwanath Gadgil, Whole Time Director (DIN: 00616617) and Mrs. Apurva Joshi, (M. No. A32972) Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

7 Re-Appointment of Mr. Govind Vishwanath Gadgil as Whole Time Director (DIN : 00616617) and to fix his remuneration thereof

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

“RESOLVED THAT pursuant to provisions of Sections 196 197, 198 and 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and

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Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee, and subject to such consent(s), approval(s) and permission(s) of the authorities, if any and subject to such conditions as may be imposed by any authority(ies), if any while granting such consents, permissions and approvals and as are agreed to by the Board of Directors (which term shall always be deemed to include any Committee constituted or to be constituted to exercise the powers including powers conferred under this resolution), approval of the members be and is hereby accorded for reappointment of Mr. Govind Vishwanath Gadgil (DIN 00616617), as a Whole Time Director of the Company for a period of 5 (five) years with effect from 5th December 2022 up to and including 04th December 2027 upon the following terms and conditions including remuneration to be paid for a period of 3 (three) years from 5th December 2022 up to and including 04th December 2025;

A. Duties :

1. He shall serve the Company as its Whole Time Director.
2. He shall not be liable to retire by rotation.
3. He will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and directions of the Board of Directors of the Company, the Whole Time Director shall have the general conduct, management and control of the business and affairs of the Company except in the matters which may be specifically required to be done by the Board either by the Companies Act, 2013, or by the Articles of Association of the Company and the Whole Time Director shall accordingly exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine, and shall also do and perform all other contracts, acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.
4. The period of appointment shall be from 5th December 2022 up to and including 04th December 2027.

B. Remuneration:

A consolidated remuneration not exceeding Rs. 15,00,00,000/- (Rupees Fifteen Crores only) p.a. for a period of 3 (three) years from 5th December 2022 up to and including 04th December 2025, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including terms of remuneration and other terms in such manner as may be agreed to between the Board of Directors and Mr. Govind Vishwanath Gadgil.

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RESOLVED FURTHER THAT the remuneration payable to Mr. Govind Vishwanath Gadgil shall not exceed the overall ceiling of remuneration as provided under Section 197 and Section II of Part II of Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as the case may be or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT in the event of any financial year during the tenure of the Whole time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, the Company may pay to the Whole time Director, the above remuneration, as the minimum remuneration by way of consolidated remuneration as specified above.”

RESOLVED FURTHER THAT subject to the approval of members, the terms and conditions of his terms of appointment including remuneration as are mentioned in the draft agreement which is in the form of appointment letter, which is placed before the meeting duly initialed by Mr. Amit Y. Modak, for the purpose of identification be and are hereby approved.

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak (DIN 00396631), Director and Mrs. Renu Gadgil (DIN :07412955) Whole Time Directors of the Company be and are hereby individually authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

8 Re-Appointment of Mrs. Renu Govind Gadgil as Whole Time Director (DIN : 07412955) and to fix her remuneration thereof

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

"RESOLVED THAT pursuant to provisions of Sections 196 197, 198 and 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee, and subject to such consent(s), approval(s)and permission(s) of the authorities, if any and subject to such conditions as may be imposed by any authority(ies), if any, while granting such consents, permissions and approvals and as are agreed to by the Board of Directors (which term shall always be deemed to include any Committee constituted or to be constituted to exercise the powers including powers conferred under this resolution), approval of the members be and is hereby accorded for reappointment of Mrs. Renu Govind Gadgil (DIN 07412955) as a Whole Time Director of the Company for a period of 5 (five) years with effect from 5th December 2022 up to and including 04th December 2027 upon the following terms and conditions including remuneration to be paid for a period of 3 (three) years from 5th December 2022 up to and including 04th December 2025;

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A. Duties:

1. She shall serve the company as its Whole Time Director.
2. She shall be liable to retire by rotation.
3. She will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company shall from time to time in its absolute discretion determine and entrust to her. Subject to the superintendence, control and directions of the Board of Directors of the Company, the Whole Time Director shall have the general conduct, management and control of the business and affairs of the Company except in the matters which may be specifically required to be done by the Board either by the Companies Act, 2013, or by the Articles of Association of the Company and the Whole Time Director shall accordingly exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine, and shall also do and perform all other contracts, acts and things which in the ordinary course of business she may consider necessary or proper or in the interest of the Company.
4. The period of appointment shall be from 5th December 2022 up to and including 04th December 2027.

B. Remuneration:

A consolidated remuneration not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crores only) p.a. for a period of 3 (three) years from 5th December 2022 up to and including 04th December 2025 with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including terms of remuneration and other terms in such manner as may be agreed to between the Board of Directors and Mrs. Renu Govind Gadgil.

RESOLVED FURTHER THAT the remuneration payable to Mrs. Renu Govind Gadgil shall not exceed the overall ceiling of remuneration as provided under Section 197 and Section II of Part II of Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as the case may be or such other limits as may be prescribed from time to time.

“RESOLVED FURTHER THAT in the event of any financial year during the tenure of the Whole time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, the Company may pay to the Whole time Director, the above remuneration, as the minimum remuneration by way of consolidated remuneration as specified above.”

RESOLVED FURTHER THAT subject to the approval of members, the terms and conditions of her terms of appointment including remuneration as are mentioned in the draft agreement which is

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in the form of appointment letter, which is placed before the meeting duly initialed by Mr. Amit Y. Modak, for the purpose of identification be and are hereby approved.

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak (DIN 00396631), Director and Mr. Govind Vishwanath Gadgil (DIN 00616617), Whole Time Directors of the Company be and are hereby individually authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

9 Re-Appointment of Mr. Amit Yeshwant Modak as Whole Time Director (DIN : 00396631) and to fix his remuneration thereof

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

"RESOLVED THAT pursuant to provisions of Sections 196 197, 198 and 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee, and subject to such consent(s), approval(s)and permission(s) of the authorities, if any and subject to such conditions as may be imposed by any authority(ies), if any while granting such consents, permissions and approvals and as are agreed to by the Board of Directors (which term shall always be deemed to include any Committee constituted or to be constituted to exercise the powers including powers conferred under this resolution), approval of the members be and is hereby accorded for reappointment of Mr. Amit Yeshwant Modak(DIN 00396631) as a Whole Time Director of the Company for a period of 5 (five) years with effect from 5th December 2022 up to and including 04th December 2027 upon the following terms and conditions including remuneration to be paid for a period of 3 (three) years from 5th December 2022 up to and including 04th December 2025;

A. Duties:

1. He shall serve the company as its Whole Time Director.
2. He shall be liable to retire by rotation.
3. He will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and directions of the Board of Directors of the Company, the Whole Time Director shall have the general conduct, management and control of the business and affairs of the Company except in the matters which may be specifically required to be done by the Board either by the Companies Act, 2013, or by the Articles of Association of the Company and the Whole Time Director shall accordingly exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine, and shall also do

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and perform all other contracts, acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

4. The period of appointment shall be from 5th December 2022 up to and including 04th December 2027.

B. Remuneration:

A consolidated remuneration not exceeding Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lakhs only) p.a. for a period of 3 (three) years from 5th December 2022 up to and including 04th December 2025 , with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including terms of remuneration and other terms in such manner as may be agreed to between the Board of Directors and Mr. Amit Yeshwant Modak.

RESOLVED FURTHER THAT the remuneration payable to Mr. Amit Yeshwant Modak shall not exceed the overall ceiling of remuneration as provided under Section 197 and Section II of Part II of Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as the case may be or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT in the event of any financial year during the tenure of the Whole time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, the Company may pay to the Whole time Director, the above remuneration, as the minimum remuneration by way of consolidated remuneration as specified above.”

RESOLVED FURTHER THAT, subject to the approval of members, the terms and conditions of his terms of appointment including remuneration as are mentioned in the draft agreement which is in the form of appointment letter, which is placed before the meeting duly initialed by Mr. Govind Vishwanath Gadgil, for the purpose of identification be and are hereby approved.

RESOLVED FURTHER THAT Mr. Govind Vishwanath Gadgil (DIN 00616617) and / or Mrs. Renu Govind Gadgil (DIN: 07412955), Whole Time Directors of the Company be and are hereby individually authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution

10 Reappointment of Mr. Ashish Chandrakant Khandelwal as an Independent Director

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 Sections 149, 150, 152 read with schedule IV and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any

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statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, **Mr. Ashish Chandrakant Khandelwal (DIN 00098473)** who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment and who holds office as an independent director up to November 2022 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of five consecutive years with effect from **10 November 2022** up to **9 November 2027**.

11 Reappointment of Mr. Ashok Namdeo Gokhale as an Independent Director

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 Sections 149, 150, 152 read with schedule IV and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, **Mr. Ashok Namdeo Gokhale (DIN: 02415119)** who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment and who holds office as an independent director up to November 2022 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of five consecutive years with effect from **10 November 2022** up to **9 November 2027**.

12 Reappointment of Mr. Ranjeet Sadashiv Natu as an Independent Director

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 Sections 149, 150, 152 read with schedule IV and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, **Mr. Ranjeet Sadashiv Natu (DIN: 02892084)** who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment and who holds office as an independent director up to November 2022 be and is hereby reappointed as an independent director, not liable

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to retire by rotation, for a second term of five consecutive years with effect from **10 November 2022** up to **9 November 2027**.

13 To authorize the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013:

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

“In supersession of earlier resolution passed by the members in the Extra Ordinary General Meeting of the Company held on **7th February 2018**, IT IS HEREBY RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter called as an Act) as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof or any person duly authorized by the Board in this behalf), for borrowing from time to time any sum or sums of moneys which together with moneys already borrowed by the Company, (apart from the temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of the Company’s business) may exceed the aggregate of the paid up capital of the Company and its free reserves (i. e. reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not exceed Rs. **15,00,00,00,000/-** (Rupees One Thousand Five Hundred Crores only), **at any given point of time”**

RESOLVED FURTHER THAT Mr. Amit Yeshwant Modak (DIN 00396631), Director and Mr. Govind Vishwanath Gadgil (DIN 00616617) Directors of the Company be and are hereby individually authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

14 To authorize the Board of Directors under Section 180 (1) (a) of the Companies Act, 2013:

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

“In supersession of earlier resolution passed by the members in the Extra Ordinary General Meeting of the Company held on **7th February 2018**, IT IS HEREBY RESOLVED THAT, in terms of provisions of Section 180 (1) (a) of the Companies Act, 2013 as amended from time to time, other relevant or applicable provisions of the said Act, if any, and Articles of Association of the Company, the consent of the Company be and is hereby accorded to create such mortgage, charge, hypothecation, transfer, sell and / or otherwise dispose off all or any part of the immoveable or moveable properties including whole of the undertaking (s) of the Company, wherever situated, present and future and in such manner as the Board of Directors (hereinafter referred to as the Board, which

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term shall be deemed to include any committee thereof or any person duly authorized by the Board in this behalf) may deem fit together with the power to takeover the substantial assets of the Company in certain events in favour of banks, financial institutions/ other investing agencies, mutual funds, corporate or such other persons / lenders and trustees of the debenture, / bonds / other instruments to secure Rupee / foreign currency loans and such other credit facilities, whether fund based and/ or non fund based and/or the issue of securities, whether fully or partly, convertible or non- convertible (hereinafter collectively referred to as loans provided that the total amount of loans together with the interest thereon additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or redemption , costs, charges, expenses and other monies payable by the Company in respect of the said loans shall not at any time exceed Rs. Rs. **15,00,00,00,000/-** (Rupees One Thousand Five Hundred Crores only) **at any given point of time.**

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate with Bankers, financial/ investment institutions / mutual funds, corporate or such other persons / lenders, as aforesaid and to finalize the transaction and sign agreements, deeds or any other documents for creating charge on the properties of the Company as stated above and to do any acts, deeds and things to give effect to this resolution.”

Date: 23.06.2022

Place: Pune

By Order of the Board

Sd/-

Apurva Joshi

Company Secretary

Flat No. 4, Building No. 17

Konark Aangan,

Opp. Chintamani Nagar Part – II,

Bibvewadi, Pune - 411037

M. No. A32972

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. 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 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 MEMBER. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE

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SUPPORTED BY APPROPRIATE RESOLUTIONS/ AUTHORITY, AS APPLICABLE. A COPY OF PROXY FORM HAS BEEN ENCLOSED HEREWITH.

2. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
3. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial period ending 31st March, 2022 are being sent by e-mail to those Members who have registered their e-mail address with the Company, unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode. The Company requests those Members who have not yet registered their e-mail addresses, to register the same directly with their DP's, in case shares are held in electronic form or with the Company, in case shares are held in physical form.
4. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers and the copies of agreement i.e. Letter of appointment as mentioned in Section 190 are available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting.
5. The Statement relating to special business as mentioned in the Notice pursuant to provisions of Section 102 of the Companies Act, 2013 (the Act) is annexed hereto.
6. The detailed address of venue of meeting with route map and nearest landmark is attached herewith. Pick up and drop facility will be available half an hour before and after the conclusion of the meeting from/to the registered office of the Company.
7. Members are requested to notify the Company immediately the changes, if any, in the address in full with the postal area, pin code number, quoting their folio no. to the Company for shares held in physical form and/or to Company's Registrar and Share Transfer Agent, 'LINK INTIME INDIA PRIVATE LIMITED' at 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 and to their respective Depository Participants (DP) for shares held in electronic form.
8. Members / proxies should carry valid ID proof such as PAN, Voter ID, Passport, Driving License, Aadhar card etc. along with duly filled Attendance Slip enclosed herewith for attending the meeting.
9. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting venue.
10. Members may also note that the notice of the 5th Annual General Meeting and the Annual Report will be available on the Company's website www.pngadgilandsons.com.

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11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Date: 23.06.2022

By Order of the Board

Place: Pune

Sd/-

Apurva Joshi

Company Secretary

Flat No. 4, Building No. 17

Konark Aangan,

Opp. Chintamani Nagar Part – II,

Bibvewadi, Pune - 411037

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STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Explanatory Statement sets out in terms of Section 102 of the Companies Act, 2013, all material facts relating to Special Business mentioned in the accompanying Notice dated **23rd June, 2022**

Item No. 3

The Company proposes to invite and accept unsecured fixed deposits from the members of the Company and/or from the Public as a source of medium term finance, the long term working capital requirements and for the general corporate purpose and the business of the Company.

Pursuant to the provisions of Sections 73 and 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, where the Company accepts unsecured deposits from its Members and/or the Public, approval of the shareholders is required.

The Board of Directors at its meeting held on 11 June 2022, has resolved to seek authority in its favour from the Shareholders for acceptance of unsecured Fixed Deposits from its members and the Public pursuant to the aforementioned provisions of the Act. The Scheme of acceptance of deposits has already been in place, pursuant to resolution passed in Extra Ordinary General Meeting held on 30 August 2019.

The approval of Members is sought by way of a **Special Resolution**, for acceptance of unsecured public deposits from public as a matter of good corporate governance.

Your Directors recommend the proposed Special resolution at Item No 3 for your approval.

All documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days of the Company during business hours up to the date of the Annual General Meeting.

No director, key managerial personnel of the Company or being relative of director is concerned or interested, financially or otherwise in the resolution proposed under Item No. 3 of the notice, except to the extent of any deposit that they may place with the Company under the Unsecured Fixed Deposit Scheme.

Item No. 4

The Nomination and Remuneration Committee, in its meeting held on 11 June 2022 recommended and the Board of Directors in its meeting held on 11 June 2022, approved the revision in remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617) Whole Time Director of the Company from an amount not exceeding Rs. 10,00,00,000/- (Rupees Ten crores) p.a. to an amount not exceeding Rs.

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15,00,00,000/- (Rupees Fifteen crores) p.a., for a period 1st April 2022 to 4th December 2022, with other terms and conditions of employment as approved in the Extra Ordinary General Meeting held on 30 August 2019, remaining unchanged.

The revision in remuneration as recommended by Nomination and Remuneration Committee and approved by the Board is based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the Company during business hours up to the date of the Extra Ordinary General Meeting.

Your Directors recommend the proposed Special resolution for your approval. The approval of Members is being sought by way of a Special resolution, for revision in remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617) Whole Time Director of the Company.

Except Mrs. Renu Govind Gadgil, being relative of Director and Mr. Govind Vishwanath Gadgil, recipient of the revised remuneration, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item No. 4 of the notice.

Item No. 5

The Nomination and Remuneration Committee, in its meeting held on 11 June 2022 recommended and the Board of Directors, in its meeting held on 11 June 2022, approved the revision in remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955) Whole Time Director of the Company from an amount not exceeding Rs. 6,00,00,000/- (Rupees Six crores) p.a. to an amount not exceeding p.a. 12,00,00,000/- (Rupees Twelve crores) for a period 1st April 2022 to 4th December 2022, with other terms and conditions of employment as approved in the Extra Ordinary General Meeting held on 30 August 2019, remaining unchanged.

The revision in remuneration as recommended by Nomination and Remuneration Committee and approved by the Board is based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

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The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the Company during business hours up to the date of the Extra Ordinary General Meeting.

Your Directors recommend the proposed Special resolution for your approval. The approval of Members is being sought by way of a Special resolution, for revision in remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole Time Director of the Company.

Except Mrs. Renu Govind Gadgil, being recipient of the revised remuneration and Mr. Govind Vishwanath Gadgil, being relative, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item no. 5 of the notice.

Item no. 6

The Nomination and Remuneration Committee, in its meeting held on 11 June 2022 recommended and the Board of Directors, in its meeting held on 11 June 2022, approved the revision in remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631) Whole Time Director of the Company from an amount not exceeding Rs. 2,00,00,000/- (Rupees Two Crores) p.a. to an amount not exceeding Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lakhs) for a period 1st April 2022 to 4th December 2022, with other terms and conditions of employment as approved in the Extra Ordinary General Meeting held on 18 April 2018, remaining unchanged.

The revision in remuneration as recommended by Nomination and Remuneration Committee and approved by the Board is based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours up to the date of the Extra Ordinary General Meeting.

Your Directors recommend the proposed Special resolution for your approval. The approval of Members is being sought by way of a Special resolution, for revision in remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631), Whole Time Director of the Company.

Except Mr. Amit Yeshwant Modak, being recipient of the revised remuneration and Mr. Aditya Amit Modak, CFO of the Company being relative, none of the other Directors or key managerial personnel of

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the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under **Item no. 6** of the notice.

Item No. 7

Mr. Govind Vishwanath Gadgil was appointed as a Whole Time Director of the Company for a period of 5 years w.e.f. 5 December 2017 for a period of 5 years. His existing tenure as Whole Time Director of the Company will expire on 4 December 2022. In pursuance of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 11 June 2022 re-appointed Mr. Govind Vishwanath Gadgil (DIN : 00616617) as a Whole Time Director of the Company for a further period of 5 years from 5th December 2022 to 4th December 2027, subject to the approval of the members in the General Meeting.

Further, in pursuance of recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 11 June, 2022, approved his remuneration of 15,00,00,000/- (Rupees Fifteen Crores only) p.a. in terms of Section 197, 198 of the Act, 2013 (hereinafter called as the Act) for 3 years w.e.f. 5th December 2022 up to and including 04th December 2025, in terms of Part I and Section II of Part II of Schedule V of the Act respectively and fixed the terms and conditions of appointment, including his terms of remuneration for a period of 3 years w.e.f. 5th December 2022 up to and including 04th December 2025, subject to the approval of the members in the General Meeting. The principal terms and conditions of his re-appointment and gist of main clauses of the Agreement in the form of a letter to be executed between company and Mr. Govind Vishwanath Gadgil are as follows

- A. Term of re-appointment: - He will serve as a Whole Time Director for 5 (Five years) from 5th December 2022 up to and including 04th December 2027.
- B. He will be paid remuneration at 15,00,00,000/- p.a. for 3 (three) years from 5th December 2022 up to and including 04th December 2025. The remuneration for the remaining period of 2 years i.e. from 5 December 2025 up to and including 04 December 2027 will be decided by the Board at an appropriate time, which will be subject to approval of members.
- C. He will not be liable to retire by rotation during the tenure of his appointment as Whole Time Director of the Company.
- D. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company.
- E. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.

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- F. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 days notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.

The approval of members is being sought by way of a Special Resolution in view of provisions of Section 196, 197 and 198 of the Act read with provisions of Part I and Section II of Part II of Schedule V of the Act.

The draft Agreement as referred above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

All the relevant documents referred to in the notice are open for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours up to the date of the Annual General Meeting.

The Board recommends the resolution set out in **Item no. 7** of the notice for approval by members of the Company respectively.

Except Mr. Govind Vishwanath Gadgil, the appointee and Mrs. Renu Govind Gadgil, Whole Time Directors, being relative of the appointee, none of the other Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

Item No. 8

Mrs. Renu Govind Gadgil was appointed as a Whole Time Director of the Company for a period of 5 years w.e.f. 5 December 2017 for a period of 5 years. Her existing tenure as Whole Time Director of the Company will expire on 4 December 2022. In pursuance of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 11 June 2022 re-appointed Mrs. Renu Govind Gadgil (DIN 07412955) as a Whole Time Director of the Company for a further period of 5 years from 5th December 2022 to 4th December 2027, subject to the approval of the members in the General Meeting.

Further, in pursuance of recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 11 June, 2022, approved her remuneration of Rs. 12,00,00,000/- (Twelve Crores only) p.a. in terms of Section 197, 198 of the Companies Act, 2013 (hereinafter called as the Act) for 3 years w.e.f. 5th December 2022 up to and including 04th December 2025, in terms of Part I and Section II of Part II of Schedule V of the Act, respectively and fixed the terms and conditions of her reappointment, including her terms of remuneration for a period of 3 years w.e.f. 5th December 2022 up

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to and including 04th December 2025, subject to the approval of the members in the General Meeting .The principal terms and conditions of her appointment and gist of main clauses of the Agreement in the form of a Letter to be executed between company and Mrs. Renu Govind Gadgil are as follows

- A. Term of re-appointment: - She will serve as a Whole Time Director for 5 (Five years) from 5th December 2022 up to and including 04th December 2027.
- B. She will be paid remuneration at Rs. 12,00,00,000/- per annum for 3 (three) years from 5th December 2022 up to and including 04th December 2025. The remuneration for the remaining period of 2 years i.e. from 5 December 2025 up to and including 04 December 2027 will be decided by the Board at an appropriate time, which will be subject to approval of members.
- C. She will be liable to retire by rotation during the tenure of her appointment as Whole Time Director of the Company.
- D. Subject to the superintendence, control and direction of the Board, she will have the general control of the business of the Company and she will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, she may consider necessary or proper or in the best interests of the Company.
- E. The term of her employment will forthwith determine if she becomes insolvent or make any composition or arrangement with her creditors or she will cease to be a Director of the Company.
- F. If she is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders her retirement from the office of Whole Time Director desirable, the Company may intimate to her, by not less than 30 day's notice in writing, about her cessation, she will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.

The approval of members is being sought by way of a Special Resolution in view of provisions of Section 196, 197 and 198 of the Act read with provisions of Part I and **Section II of Part II** of Schedule V of the Act.

The draft Agreement as referred above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

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All the relevant documents referred to in the notice are open for inspection by the members at the Registered Office of the Company on all working days of the company during business hours up to the date of the Annual General Meeting.

The Board recommends the resolution as set out in **Item no. 8** of the notice for approval by members of the Company.

Except Mrs. Renu Govind Gadgil, the appointee and Mr. Govind Vishwanath Gadgil, Whole Time Directors, being relative of the appointee, none of the other Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

Item No. 9

Mr. Amit Yeshwant Modak was appointed as a Whole Time Director of the Company for a period of 5 years w.e.f. 5 December 2017. His existing tenure as Whole Time Director of the Company will expire on 4 December 2022. In pursuance of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 11 June 2022 re-appointed Mr. Amit Yeshwant Modak (DIN 00396631) as a Whole Time Director of the Company for a further period of 5 years from 5th December 2022 to 4th December 2027, subject to the approval of the members in the General Meeting.

Further, in pursuance of recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 11 June 2022, approved his remuneration of Rs. 3,50,00,000/- (Three Crores Fifty Lakhs only) p.a. in terms of Section 197, 198 of the Companies Act, 2013 (hereinafter called as the Act) for 3 years w.e.f. 5th December 2022 up to and including 04th December 2025, in terms of Part I and Section II of Part II of Schedule V of the Act respectively and fixed the terms and conditions of his re-appointment including his terms of remuneration for a period of 3 years w.e.f. 5th December 2022 up to and including 04th December 2025, subject to the approval of the members in the General Meeting. The principal terms and conditions of his appointment and gist of main clauses of the Agreement in the form of a letter to be executed between company and Mr. Amit Yeshwant Modak are as follows

- A. Term of re-appointment: - He will serve as a Whole Time Director for 5 (Five years) from 5th December 2022 up to and including 04th December 2027
- B. He will be paid remuneration @ Rs. 3,50,00,000/- per annum for 3 (three) years from 5th December 2022 up to and including 04th December 2025. The remuneration for the remaining period of 2 years i.e. from 5 December 2025 up to and including 04 December 2027 will be decided by the Board at an appropriate time, which will be subject to approval of members.
- C. He will be liable to retire by rotation during the tenure of his appointment as Whole Time Director of the Company.
- D. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the

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Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company.

- E. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.
- F. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 days notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.

The approval of members is being sought by way of a Special Resolution in view of provisions of Section 196, 197 and 198 of the Act read with provisions of Part I and **Section II of Part II** of Schedule V of the Act.

The draft Agreement as referred above may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

All the relevant documents referred to in the notice are open for inspection by the members at the Registered Office of the Company on all working days of the company during business hours up to the date of the Annual General Meeting.

The Board recommends the resolution as set out in **Item no. 9** of the notice for approval by members of the Company.

Except Mr. Amit Modak, the appointee and Mr. Aditya Amit Modak, being CFO, being relative of the appointee, none of the other Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

Item No. 10

The Board of Directors at its meeting held on 10 November 2017 had appointed Mr. Ashish Chandrakant Khandelwal (DIN 00098473) as an Additional Director and Independent Director of the Company to hold office till the date of the next Annual General Meeting. His appointment was however approved by members in the Extra Ordinary General Meeting held on 30 March 2018 for a term of 5 years w.e.f. 10 November 2017. Accordingly, the tenure of Mr. Ashish Chandrakant Khandelwal, as an Independent Director is due for expire on 09 November 2022.

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Mr. Ashish Chandrakant Khandelwal (DIN 00098473) is currently an Independent Director of the Company, the Chairman of Audit Committee and Stakeholder Committee and Independent Directors Meetings, member of Nomination and Remuneration Committee. Mr. Ashish Chandrakant Khandelwal was appointed as an Independent Director of the Company for a term of five consecutive years from 10 November 2017 upto 09 November 2022. Mr. Ashish Chandrakant Khandelwal is eligible for re-appointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation effective from 10 November 2022 up to 09 November 2027 subject to the approval of the members by a Special Resolution. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ashish Chandrakant Khandelwal as an Independent Director of the Company. The Company has in terms of Section 160 (1) of the Act received a notice from a member proposing his candidature for the office of a director.

Based on the performance evaluation of the independent directors and as per the recommendations of the Nomination and Remuneration Committee, given his background, experience and contribution, the Board is of the opinion that Mr. Ashish Chandrakant Khandelwal continued association would be of immense benefit to the company and it is therefore desirable to continue to avail his service as an Independent Director.

Mr. Ashish Chandrakant Khandelwal is a Chartered Accountant having extensive experience in the field of audit and tax matters for more than 25 years and is a partner of Shah Khandelwal Jain & Associates, a reputed firm of Chartered Accountants from Pune.

The Company has received a declaration from Mr. Ashish Chandrakant Khandelwal confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act. Mr. Ashish Chandrakant Khandelwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

A copy of the draft letter for re-appointment of the independent director setting out the terms and conditions of his re-appointment is available for inspection by the members at the registered office of the company during the business hours and will also be available at the venue of the AGM till the conclusion of the AGM. The relevant disclosure prescribed under The Companies Act, 2013 has been given in **Annexure 3**.

The Board recommends the **Special Resolution** set out in item no 10 of the accompanying notice for approval of members.

Except Mr. Ashish C Khandelwal, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **Item No. 10**.

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Item No. 11

The Board of Directors at its meeting held on 10 November 2017 had appointed Mr. Ashok Namdeo Gokhale (DIN 02415119) as an Additional Director and Independent Director of the Company to hold office till the date of next Annual General Meeting. His appointment was however approved by members in the Extra Ordinary General Meeting held on 30 March 2018 for a term of 5 years w.e.f. 10 November 2017. Accordingly, the tenure of Mr. Ashok Namdeo Gokhale, as an Independent Director is due for expire on 09 November 2022.

Mr. Ashok Namdeo Gokhale (DIN 02415119) is currently an Independent Director of the Company and the Chairman of Corporate Social Responsibility Committee and member of Nomination and Remuneration Committee. Mr. Ashok Namdeo Gokhale was appointed as an Independent Director of the company for a term of five consecutive years from 10 November 2017 upto 09 November 2022. Mr. Ashok Namdeo Gokhale is eligible for re-appointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation effective from 10 November 2022 up to 09 November 2027 subject to the approval of the members by a Special Resolution. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ashok Namdeo Gokhale as an Independent Director of the Company. The Company has in terms of Section 160 (1) of the Act received a notice from a member proposing his candidature for the office of a director.

Based on the performance evaluation of the independent directors and as per the recommendations of the Nomination and Remuneration Committee, given his background, experience and contribution, the Board is of the opinion that Mr. Ashok Namdeo Gokhale continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his service as an Independent Director.

Mr. Ashok Namdeo Gokhale is a Mechanical Engineer having extensive experience in the engineering field for more than 45 years. He had worked with international companies and owns company operating in the engineering field.

The Company has received a declaration from Mr. Ashok Namdeo Gokhale confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act. Mr. Ashok Namdeo Gokhale is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

A copy of the draft letter for re-appointment of the independent director setting out the terms and conditions of his re-appointment is available for inspection by the members at the registered office of the company during the business hours and will also be available at the venue of the AGM till the conclusion of the AGM. The relevant disclosure prescribed under The Companies Act, 2013 has been given in **Annexure 3**.

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The Board recommends the **Special Resolution** set out in item no 11 of the accompanying notice for approval of members.

Except Mr. Ashok N Gokhale, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **Item No. 11**.

Item No 12

The Board of Directors at its meeting held on 10 November 2017 had appointed Mr. Ranjeet Sadashiv Natu (DIN 02892084), as an Additional Director and Independent Director of the Company to hold office till the date of next Annual General Meeting. His appointment was however approved by members in the Extra Ordinary General Meeting held on 30 March 2018 for a term of 5 years w.e.f. 10 November 2017. Accordingly, the tenure of Mr. Ranjeet Sadashiv Natu, as an Independent Director is due for expire on 09 November 2022.

Mr. Ranjeet Sadashiv Natu (DIN 02892084), is currently an Independent Director of the Company and the member of Audit Committee and Chairman of Nomination and Remuneration Committee. Mr. Ranjeet Sadashiv Natu was appointed as an Independent Director of the company for a term of five consecutive years from 10 November 2017 up to 09 November 2022. Mr. Ranjeet Sadashiv Natu is eligible for re-appointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation effective from 10 November 2022 up to 09 November 2027 subject to the approval of the members by a Special Resolution. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ranjeet Sadashiv Natu as an Independent Director of the Company. The Company has in terms of Section 160 (1) of the Act received a notice from a member proposing his candidature for the office of a director.

Based on the performance evaluation of the independent directors and as per the recommendations of the nomination and remuneration committee, given his background, experience and contribution, the Board is of the opinion that Mr. Ranjeet Sadashiv Natu continued association would be of immense benefit to the company and it is therefore desirable to continue to avail his service as an Independent Director.

Mr. Ranjeet Sadashiv Natu is a Chartered Accountant having extensive experience in the field of audit and tax matters for more than 25 years and is a partner of M/s. Natu & Pathak, reputed firm of Chartered Accountants from Pune.

The Company has received a declaration from Mr. Ranjeet Sadashiv Natu confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act. Mr. Ranjeet Sadashiv Natu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

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A copy of the draft letter for re-appointment of the independent director setting out the terms and conditions of his re-appointment is available for inspection by the members at the registered office of the company during the business hours and will also be available at the venue of the AGM till the conclusion of the AGM. The relevant disclosure prescribed under The Companies Act, 2013 has been given in **Annexure 3**.

The Board recommends the **Special Resolution** set out in item no 12 of the accompanying notice for approval of members.

Except Mr. Ranjeet Sadashiv Natu, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at **Item No. 12**.

ITEM NOS. 13 & 14

In terms of the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Company can borrow in excess of its paid up share capital and free reserves (apart from temporary loans obtained from Company's bankers in the ordinary course of business) only with the consent of the Members of the Company obtained by way of passing a **Special Resolution**. The loans/credit facilities proposed to be obtained from Bankers, Directors and other permitted entities may exceed the said limits prescribed under Section 180(1) (c) as aforesaid.

The Company has already taken approval of its members in their Extra Ordinary General Meeting held on 7th February 2018, for borrowing, an amount not exceeding Rs. **10,00,00,00,000/-** (Rupees One Thousand Crores only) at any given point of time".

The details of the credit limits utilized by the Company as on 30.04.2022 are as under:

Sr. No.	Particulars	Amount (in Rs.)
1	Fund Based	4,39,68,53,955 /-
2	Non Fund Based	--
3	TOTAL	4,39,68,53,955 /-

Keeping in view the Company's existing and future plans for expansion of its branches and requirement for general corporate purposes, the existing credit limits of the Company may fall short of requirements. The Company would require further funds to support its business operations, It is therefore thought desirable to authorize the Board of Directors of the Company or Committee thereof **to borrow an amount not exceeding Rs. 15,00,00,00,000/- (Rupees One Thousand Five Hundred Crores only) outstanding, at any given point of time, under the aforesaid provisions of the Companies Act, 2013.**

Further, in terms of Section 180 (1) (a) of the Companies Act, 2013, the approval of the members would be required for charging of properties/ undertaking (s) having value exceeding 20 % of the net worth of the Company or charging the undertaking which generates 20% of the total income or charging of

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properties/ undertaking (s) having value over 20 % of the total value of the undertaking. The transactions of creating a charge on the assets as aforesaid may exceed the above limits.

The Company has already taken approval of its members in their general meeting held on 7th February 2018, for creating charge on the assets of the Company up to an amount of Rs. 10,00,00,00,000/- (Rupees One Thousand Crores only) outstanding at any given point of time. The said limit would not be sufficient considering the borrowing requirements as stated in the above para. The Company may require to provide appropriate securities for which it has to create a charge by way of mortgage, hypothecation, or otherwise on its immovable or movable properties / undertakings in favour of the lenders. Mortgaging / hypothecating, charging the undertaking / movable or immovable properties of the Company is also deemed to be a disposal of the undertaking of the Company under Section 180 (1)(a) of the Act.

In view of the above, it is thought desirable to authorize the Board of Directors of the Company or Committee thereof authorised by the Board to create a charge by way of mortgage, hypothecation or otherwise on the immovable or movable properties / undertaking (s) of the Company up to an amount not exceeding Rs. 15,00,00,00,000/- (Rupees One Thousand Five Hundred Crores Only) at any given point of time and to borrow an amount not exceeding Rs. **15,00,00,00,000/-** (Rupees One Thousand Five Hundred Crores only) at any given point of time, under the aforesaid provisions of the Companies Act, 2013.

The Board recommends the resolutions as set out in the **Item nos. 13 and 14** of the accompanying Notice for the approval of the members of the Company.

None of the Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in these Resolutions.

Date: 23.06.2022

Place: Pune

By Order of the Board

Sd/-

Apurva Joshi

Company Secretary

Flat No. 4, Building No. 17

Konark Aangan,

Opp. Chintamani Nagar Part – II,

Bibvewadi, Pune - 411037

M. No. A32972

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Annexure 1 to Statement pursuant to section 102 dated 23.06.2022 to Item Nos. 04, 05, 06, 07, 08 & 09 of the Notice(*Details pertaining to Mr. Amit Modak are also applicable to Item No. 2 of the Notice)

Details of Directors seeking revision in terms of remuneration and reappointment of Whole Time Directors at the Annual General Meeting
(In pursuance of Secretarial Standard 2 of ICSI)

Sr. No.	Name of Director	Mr. Govind Gadgil	Mrs. Renu Gadgil	Mr. Amit Modak *
1.	DIN	00616617	07412955	00396631
2.	Designation	Chairman and Whole Time Director	Whole Time Director	Chief Executive Officer and Whole Time Director
3.	Date of Birth	08/08/1959	13/05/1961	11/05/1960
4.	Age	62	61	62
5.	Nationality	Indian	Indian	Indian
6.	Date of first appointment on the Board	06/11/2017(since incorporation)	06/11/2017(since incorporation)	06/11/2017(since incorporation)
7.	Change in Designation	05/12/2017	05/12/2017	05/12/2017
8.	Date of reappointment on the Board (subject to the approval of the Members in ensuing Annual General Meeting)	11/06/2022	11/06/2022	11/06/2022
9.	Shareholding in P. N. Gadgil & Sons Limited as on 10.06.2022	1,85,31,856 equity shares	152,07,342 equity shares	2,372 equity shares
10	List of Directorship held in other Companies	1. Puneet Shares and Finance Private Limited 2. P. N. Gadgil & Sons Gargi Costume Jewellery Private Limited 3. P. N. Gadgil Art & Culture Foundation	1. Puneet Shares and Finance Private Limited 2. P. N. Gadgil Art & Culture Foundation	1. Puneet Shares and Finance Private Limited 2. P. N. Gadgil & Sons Gargi Costume Jewellery Private Limited

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11	Qualifications	F. Y. B. Com	BHMS	B.com, DTL, LLB, PGDIFM
12	Experience	In jewellery business for more than 39 years	In jewellery business for more than 9 years as one of the owners	He has considerable experience as a Financial consultant and acting as intermediary in stock, market for more than 29 years. He worked as head finance and CEO of one of the leading jewellery houses for more than 19 years. He has been involved in day to day operations of the Company and has been responsible for marketing, finance, HR functions, corporate affairs, sales and purchases of the Company
13	Terms and conditions of revision in remuneration	<p>A. Term of appointment: - He will serve as a Whole Time Director for 5 (Five years) from 05th December, 2017 up to and including 04th December, 2022</p> <p>B. His remuneration is being sought to be revised from Rs. 10,00,00,000/- p.a. to Rs. 15,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p>	<p>A. Term of appointment: - She will serve as a Whole Time Director for 5 (Five years) from 05th December, 2017 up to and including 04th December, 2022</p> <p>B. Her remuneration is being sought to be revised from Rs. 6,00,00,000/- p.a. to Rs. 12,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p>	<p>A. Term of appointment: - He will serve as a Whole Time Director for 5 (Five years) from 05th December, 2017 up to and including 04th December, 2022</p> <p>B. His remuneration is being sought to be revised from Rs. 2,00,00,000/- p.a. to Rs. 3,50,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p>

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		<p>C. His remuneration is being sought to be revised and fixed for the period commencing from 01st April, 2022 to 04th December, 2022</p> <p>D. He will not be liable to retire by rotation during the tenure of his reappointment as Whole Time Director of the Company.</p> <p>E. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he</p>	<p>C. Her remuneration is being sought to be revised and fixed for the period commencing from 01st April, 2022 to 04th December, 2022</p> <p>D. She will be liable to retire by rotation during the tenure of her reappointment as Whole Time Director of the Company.</p> <p>E. Subject to the superintendence, control and direction of the Board, she will have the general control of the business of the Company and she will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, she may consider necessary or</p>	<p>C. His remuneration is being sought to be revised and fixed for the period commencing from 01st April, 2022 to 04th December, 2022</p> <p>D. He will be liable to retire by rotation during the tenure of his reappointment as Whole Time Director of the Company.</p> <p>E. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or</p>
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	<p>may consider necessary or proper or in the best interests of the Company.</p> <p>F. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.</p> <p>G. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 day's notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such</p>	<p>proper or in the best interests of the Company.</p> <p>F. The term of her employment will forthwith determine if she becomes insolvent or make any composition or arrangement with her creditors or she will cease to be a Director of the Company.</p> <p>G. If she is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders her retirement from the office of Whole Time Director desirable, the Company may intimate to her, by not less than 30 day's notice in writing, about her cessation, she will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p>	<p>proper or in the best interests of the Company.</p> <p>F. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.</p> <p>G. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 day's notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p>
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		notice. Kindly refer draft Letter altering terms and conditions which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.	Kindly refer draft Letter of altering terms and conditions for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.	Kindly refer draft Letter of altering terms and conditions which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.
14	Terms and Conditions of appointment or re-appointment	<p>A. Term of reappointment: - He will serve as a Whole Time Director for 5 (Five years) from 05th December, 2022 up to and including 04th December, 2027</p> <p>B. He will be paid remuneration at Rs. 15,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p> <p>C. He will not be liable to retire by rotation during the tenure of his reappointment as Whole Time Director of the Company.</p>	<p>A. Term of reappointment: - She will serve as a Whole Time Director for 5 (Five years) from 05th December, 2022 up to and including 04th December, 2027</p> <p>B. She will be paid remuneration at Rs. 12,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit.</p> <p>C. She will be liable to retire by rotation during the tenure of her reappointment as Whole Time Director of the Company.</p>	<p>A. Term of reappointment: - He will serve as a Whole Time Director for 5 (Five years) from 05th December 2022, up to and including 04th December, 2027</p> <p>B. He will be paid remuneration at Rs. 3,50,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p> <p>C. He will be liable to retire by rotation during the tenure of his reappointment as Whole Time Director of the Company.</p>

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		<p>D. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company.</p> <p>E. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.</p>	<p>D. Subject to the superintendence, control and direction of the Board, she will have the general control of the business of the Company and she will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, she may consider necessary or proper or in the best interests of the Company.</p> <p>E. The term of her employment will forthwith determine if she becomes insolvent or make any composition or arrangement with her creditors or she will cease to be a Director of the Company.</p>	<p>D. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company.</p> <p>E. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.</p>
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		<p>F. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 day's notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p> <p>Kindly refer draft Letter of reappointment which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.</p>	<p>F. If she is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders her retirement from the office of Whole Time Director desirable, the Company may intimate to her, by not less than 30 day's notice in writing, about her cessation, she will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p> <p>Kindly refer draft Letter of reappointment for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.</p>	<p>F. If he is guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 day's notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p> <p>Kindly refer draft Letter of reappointment which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.</p>
15	No of Board meetings attended during the previous financial year ended	7	6	7

P. N. Gadgil & Sons Limited

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	31.03.2022			
16	Number of Board Meetings attended during April & May 2022	3	3	3
17	Chairman/ Member in the Committees of the Board of Companies in which he is a director	P. N. GADGIL & SONS LIMITED : Member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Borrowing Committee and Stakeholder Relationship Committee	P. N. GADGIL & SONS LIMITED : Member of Borrowing Committee and Internal Complaints Committee	P. N. GADGIL & SONS LIMITED : Member of Audit Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee. Chairman and member of Borrowing Committee
18	Relationship with other Directors, manager and other Key managerial personnel of the Company	Relative of Mrs. Renu Govind Gadgil, Whole time Director of the Company	Relative of Mr. Govind Vishwanath Gadgil, Chairman and Whole time Director of the Company	Relative of Mr. Aditya Amit Modak, CFO of the Company
19	Details of remuneration sought to be paid	The members are being approached for - 1. The Approval of revision of remuneration from Rs. 10,00,00,000/- to Rs. 15,00,00,000/- p.a. in compliance with the provisions of Section 197,198 and Schedule B of the Act with a power to Board of Directors to fix	The members are being approached for- 1. The Approval of revision of remuneration from Rs. 6,00,00,000/- to Rs. 12,00,00,000/- p.a. in compliance with the provisions of Section 197,198 and Schedule B of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit.	The members are being approached for - 1. The Approval of revision of remuneration from Rs. 2,00,00,000/- to Rs. 3,50,00,000/- p.a. in compliance with the provisions of Section 197,198 and Schedule B of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit

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		<p>up the remuneration within the aforesaid revised limit.</p> <p>2. The approval of remuneration of Rs. 15,00,00,000/- p.a. for three years from 05th December, 2022 upto and including 04th December, 2025</p>	<p>2. The approval of remuneration of Rs. 12,00,00,000/- p.a. for three years from 05th December, 2022 upto and including 04th December, 2025</p>	<p>2. The approval of remuneration of Rs. 3,50,00,000/- p.a. for three years from 05th December, 2022 upto and including 04th December, 2025</p>
20	Last drawn remuneration	<p>The Company has paid Rs.79.00(in millions) for the period commencing from 01st April, 2020 to 31st March, 2021. The Company has paid Rs.94.00(in millions) for the period commencing from 01st April, 2021 to 31st March, 2022. The Company has paid Rs.40,00,000/- (in Rs.) For the period 01st April, 2022 to 31st May, 2022)</p>	<p>The Company has paid Rs. 58.00(in millions) for the period commencing from 01st April, 2020 to 31st March, 2021. The Company has paid Rs. 59.00(in millions) for the period commencing from 01st April, 2021 to 31st March, 2022. The Company has paid Rs. 30,00,000/- (in Rs.) For the period 01st April, 2022 to 31st May, 2022</p>	<p>The Company has paid Rs. 12.19(in millions) for the period commencing from 01st April, 2020 to 31st March, 2021. The Company has paid Rs. 12.40(in millions) for the period commencing from 01st April, 2021 to 31st March, 2022. The Company has paid Rs. 9,90,000 /- (in Rs.)For the period 01st April, 2022 to 31st May, 2022</p>

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Annexure 2 to Statement pursuant to section 102 dated 23.06.2022 to Item Nos. 04, 05, 06, 07, 08 & 09 of the Notice

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 (INCLUDING SECRETARIAL STANDARD – 2)

I. GENERAL INFORMATION –

(1) Nature of Industry:

We are one of the leading and trusted retail jewellery companies in Maharashtra, Gujarat and Karnataka. The legacy of the “P. N. Gadgil” brand traces back over six generations to the year 1832. Prior to the incorporation of our Company in the year 2017, consequent to conversion of the Erstwhile Partnership Firm into the Company, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm.

Our offerings include gold jewellery, silver jewellery, idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items.

(2) Date or expected date of commencement of Commercial Production: Commercial production commenced in the year 2012 when the Company was a partnership firm in the name of “P. N. Gadgil & Sons”. In other words the activities or business continued in the Company after the aforesaid conversion.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not applicable.**

The Company has been incorporated pursuant to the conversion of the Erstwhile Partnership Firm under Part I of Chapter XXI of the Companies Act, 2013 on November 6, 2017. The Company inherited the running business of the firm and hence the business has been continued after the conversion.

(4) Financial performance based on given indicators:-

Particulars	As at 31st March, 2022 (Rs. in millions)
Total Income	56,578.61
Depreciation and amortization expense	155.44

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Total expenses	55,185.51
Profit before tax	1,393.10
Net profit/ Profit after Tax	1,027.51
Paid up capital	337.71

(5) Foreign Investments or collaborations, if any – There is no foreign investment and no foreign collaboration in the Company.

II. INFORMATION ABOUT THE APPOINTEES

	Mr. Govind Gadgil Whole Time Director	Mrs. Renu Gadgil Whole Time Director	Mr. Amit Modak Whole Time Director
Background details	Govind Gadgil is one of the Promoters of our Company and has been a member of our Board since inception. He holds a senior secondary certificate from Maharashtra State Board of Secondary and Higher Secondary Education. He has over 39 year's experience in the jewellery business. In the past he was associated with P.N. Gadgil & Sons, in the capacity of a Partner.	Renu Gadgil is one of the Promoters of our Company and has been a member of our Board since inception. She passed the Licentiate of Court of Examiners in Homeopathy. She has more than 9 years of experience in the jewellery business. In the past, she was associated with P. N. Gadgil & Sons, in the capacity of a Partner.	Amit Modak is the CEO and has been member of our Board since inception. He has completed B.COM, DTL, LL.B. and PGDIFM. He has considerable experience as a Financial consultant and acting as intermediary in stock, market for more than 29 years. He worked as head finance and CEO of one of the leading jewellery houses for more than 19 years. He has been involved in day to day operations of the Company and has been responsible for marketing, finance, HR functions, corporate affairs, sales and purchases of the Company

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Past Remuneration	<p>The Company has paid Rs.79.00 (in millions) for the period commencing from 01st April, 2020 to 31st March, 2021</p> <p>The Company has paid Rs.94.00 (in millions) for the period commencing from 01st April, 2021 to 31st March, 2022</p> <p>The Company has paid Rs. 40,00,000 /-(in Rs.) For the period 01st April, 2022 to 31st May, 2022</p>	<p>The Company has paid Rs.58.00 (in millions) for the period commencing from 01st April, 2020 to 31st March, 2021</p> <p>The Company has paid Rs. 59.00 (in millions) for the period commencing from 01st April, 2021 to 31st March, 2022</p> <p>The Company has paid Rs. 30,00,000/- (in Rs.) For the period 01st April, 2022 to 31st May, 2022</p>	<p>The Company has paid Rs. 12.19 (in millions) for the period commencing from 01st April, 2020 to 31st March, 2021</p> <p>The Company has paid Rs. 12.40 (in millions) for the period commencing from 01st April, 2021 to 31st March, 2022</p> <p>The Company has paid Rs. 9,90,000/-(in Rs.) For the period 01st April, 2022 to 31st May, 2022</p>
Recognition or Awards	<p>-</p>	<p>-</p>	<p>-</p>
Job profile and his /her suitability	<p>Govind Gadgil was appointed as the Whole-time Director of the Company for a period of five years with effect from 05th December 2017, provides leadership, strategic vision, gives attention for maintaining legacy benefit to the organization and directions to the Company business operations.</p> <p>Considering his vast experience and knowledge of the business in which company operates, the</p>	<p>Renu Gadgil was appointed as the Whole-time Director of the Company for a period of five years with effect from 05th December 2017. She has been involved in day to day operations of the Company and has been responsible for the functions and administration of the Company. She also pays attention for maintaining legacy benefit to the organization.</p> <p>Considering her vast experience and knowledge of the business in which company operates, the remuneration proposed is</p>	<p>Amit Modak was appointed as the Whole-time Director of the Company for a period of five years with effect from 5th December 2017, provides leadership, strategic vision, gives attention for maintaining legacy benefit to the organization and directions to the Company business operations.</p> <p>Considering his vast experience and knowledge of the business in which company operates, the</p>

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	remuneration proposed is commensurate with his job profile and is justified.	commensurate with her job profile and is justified.	remuneration proposed is commensurate with his job profile and is justified.
Remuneration proposed	The remuneration proposed to be paid is provided in Item Nos. 04 & 07 of the Notice.	The remuneration proposed to be paid is provided in Item Nos. 05 & 08 of the Notice.	Remuneration proposed to be paid is provided in Item Nos. 06 & 09 of the Notice.
Comparative remuneration profile with respect to industry. Size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his / her origin)	<p>The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewellery industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively. The profile of Mr. Govind Vishwanath Gadgil, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration.</p> <p>The remuneration payable to Mr. Govind Gadgil is in line with the industry standards.</p>	<p>The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewellery industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively. The profile of Mrs. Renu Govind Gadgil, her responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration.</p> <p>The remuneration payable to Mrs. Renu Gadgil is in line with the industry standards.</p>	<p>The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewellery industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively. The profile of Mr. Amit Modak, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration.</p> <p>The remuneration payable to Mr. Amit Modak is in line with the industry standards.</p>

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<p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other directors if any for the previous financial year ended 31st March, 2021</p>	<ul style="list-style-type: none"> • Spouse of Mrs. Renu Govind Gadgil, Whole Time Director • Mr. Govind Vishwanath Gadgil is a Promoter, Chairman and Whole Time Director holding 1,85,31,856 equity shares consisting of 3,37,70,599 of the total paid-up capital of the Company as on 10.06.2022 • Received Rent and maintenance of Rs. 37.25 (in millions) and security deposit of Rs. 13.53 (in millions) from the Company, for providing shops on leave and license basis, in the previous financial year ended 31st March, 2021 • Company accepted unsecured loan Rs. 430.00 (in millions) • Company repaid unsecured loan of Rs. 546.88 (in millions) to Mr. Govind Vishwanath Gadgil, in the previous financial year ended 31st March, 2021 • Company paid Interest on unsecured loan of Rs. 6.37 (in millions) to Mr. Govind Vishwanath 	<ul style="list-style-type: none"> • Spouse of Mr. Govind Vishwanath Gadgil, Chairman & Whole Time Director • Mrs. Renu Govind Gadgil is a Promoter and Whole Time Director holding 1,52,07,342 equity shares consisting of 3,37,70,599 of the total paid-up capital of the Company as on 10.06.2022 • Received Rent and maintenance of Rs. 14.65 (in millions) and security deposit of Rs. 5.10 (in millions) from the Company, for providing shops on leave and license basis, from the Company, in the previous financial year ended 31st March, 2021 • Company accepted unsecured loan of Rs. 625.00(in millions) • Company repaid unsecured loan of Rs. 641.05 (in millions) to Mrs. Renu Govind Gadgil in the previous financial year ended 31st March, 2021 • Company paid Interest on unsecured loan of Rs. 6.63 (in millions) to Mrs. Renu Govind Gadgil in the previous financial year ended 31st March, 2021 	<ul style="list-style-type: none"> • Relative of Mr. Aditya Amit Modak, CFO of the Company • Mr. Amit Modak is CEO and Whole Time Director holding 2,372 equity shares consisting of 3,37,70,599 of the total paid-up capital of the Company as on 10.06.2022
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	Gadgil, in the previous financial year ended 31st March, 2021		
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other directors if any for the previous financial year ended 31st March, 2022	<ul style="list-style-type: none"> • Received Rent and maintenance of Rs. 36.35 (in millions) and security deposit of Rs. 13.53 (in millions) from the Company, for providing shops on leave and license basis, in the financial year ended 31st March, 2022 • Company accepted unsecured loan Rs. 372.50 (in millions) • Company repaid unsecured loan of Rs. 407.50 (in millions) to Mr. Govind Vishwanath Gadgil, in the previous financial year ended 31st March, 2022 • Company paid Interest on unsecured loan of Rs. 2.49 (in millions) to Mr. Govind Vishwanath Gadgil, in the financial year ended 31st March, 2022 	<ul style="list-style-type: none"> • Sale of Goods of Rs. 0.01 (in millions) to Mrs. Renu Gadgil in the financial year ended 31st March, 2022 • Received Rent and maintenance of Rs. 14.54 (in millions) and security deposit of Rs. 5.10 (in millions) from the Company, for providing shops on leave and license basis, in the financial year ended 31st March, 2022 • Company accepted unsecured loan Rs. 397.50 (in millions) • Company repaid unsecured loan of Rs. 427.50 (in millions) to Mrs. Renu Govind Gadgil in the financial year ended 31st March, 2022 • Company paid Interest on unsecured loan of Rs. 3.31 (in millions) to Mrs. Renu Govind Gadgil in the financial year ended 31st March, 2022 	<ul style="list-style-type: none"> • Sale of Goods of Rs. 0.70 (in millions) to Mr. Amit Modak in the financial year ended 31st March, 2022

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits: Reduction in revenue is primarily due to the following:

- i) The revenue during the period ending 31.03.2022 is majorly contributed for expansion of business, the benefits of which are yet to be accrued to the Company.

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ii) Seasonal fluctuations and Natural Calamities may have a material adverse effect on our business, financial condition and results of operations.

2. Steps taken or proposed to be taken for improvement:

The Company is focusing on strengthening its core competency in core jewellery retail operations, by optimizing store networks and assures that the demand for our products with end-consumers will continue to grow or that Company will be able to continue to develop appealing styles or meet rapidly changing consumer demands in the future.

3. Expected increase in productivity and profits in measurable terms:

In addition to steps proposed to be taken for improvement as detailed hereinabove, key focus areas would be increasing top-line, profit maximization, conservation of cash and operational efficiencies. While it is difficult to give precise figures, the above initiatives are expected to improve further the productivity and profitability.

By order of the Board of Directors
Of **P. N. GADGIL & SONS LIMITED**

Date: 23.06.2022

Place: Pune

Sd/-

Apurva Joshi

Company Secretary

Flat No. 4, Building No. 17

Konark Aangan,

Opp. Chintamani Nagar Part – II,

Bibvewadi, Pune - 411037

M. No. A32972

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Annexure 3 to Item Nos 09, 10 & 11 to the Notice

Name of Director	Mr. Ashish Chandrakant Khandelwal	Mr. Ranjeet Sadashiv Natu	Mr. Ashok Namdeo Gokhale
DIN	00098473	02892084	02415119
Date of Birth	01/12/1969	01/10/1973	08/11/1948
Age	53	49	74
Nationality	Indian	Indian	Indian
Date of first appointment on the Board	10/11/2017	10/11/2017	10/11/2017
Shareholding in P. N. GADGIL & SONS LIMITED	NIL	NIL	NIL
List of Directorships held in other Companies	1. Archer Management Services Private Limited 2. PNL Consulting Private Limited	1. Penosh Transport Private Limited 2. Golden Sparrow Finance And Treasury Private Limited	NIL
Membership/ Chairmanship of Committees	Elected as Member of the Audit Committee by the Board w.e.f. 10/11/2017 Elected as Chairman of Audit Committee w.e.f. 05/12/2017 Member of Nomination and Remuneration Committee w.e.f. 10/11/2017	Member of Audit Committee w.e.f. 10/11/2017 Elected as Member of the Nomination and Remuneration Committee by the Board w.e.f. 10/11/2017 Elected as Chairman of Nomination and Remuneration Committee w.e.f. 05/12/2017 Elected as Chairman of Independent Directors Committee w.e.f.	Member of Nomination and Remuneration Committee w.e.f. 10.11.2017 Elected as Chairman of Corporate Social Responsibility Committee w.e.f. 30/03/2018

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	Elected as Chairman of Stakeholders Committee Meeting w.e.f. 10/03/2020	15/03/2018	
Qualifications	CA, ICWA	B.Com and CA	B.E. Mechanical
Experience	Mr. Ashish C Khandelwal is a Chartered Accountant having extensive experience in the field of audit and tax matters for more than 25 years and is a partner of Shah Khandelwal Jain & Associates, reputed firm of Chartered Accountants from Pune.	Mr. Ranjeet Sadashiv Natu is a Chartered Accountant having extensive experience in the field of audit and tax matters for more than 20 years and is a partner of M/s. Natu & Pathak, reputed firm of Chartered Accountants, from Pune.	Mr. Ashok Namdeo Gokhale is a Mechanical Engineer having extensive experience in the engineering field for more than 40 years. He had worked with international companies and owns company operating in the engineering field.
Terms & conditions of appointment / re-appointment	Non-Executive and Independent Director	Non-Executive and Independent Director	Non-Executive and Independent Director
Details of remuneration sought to paid	As a Non-Executive Independent Director, he is entitled to receive sitting fees for attending meetings of the Board	As a Non-Executive Independent Director, he is entitled to receive sitting fees for attending meetings of the Board	As a Non-Executive Independent Director, he is entitled to receive sitting fees for attending meetings of the Board

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Remuneration last drawn by such person, if applicable	As a Non-Executive Independent Director, he is entitled to receive sitting fees for attending meetings of the Board at Rs. 10,000/- per meeting. During the year 2021-22, he received Rs. 40,000/- towards sitting fees.	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board at Rs. 10,000/- per meeting. . During the year 2021-22, he received Rs. 50,000 /- towards sitting fees.	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board at Rs. 10,000/- per meeting. During the year 2021-22, he received Rs. 30,000/- towards sitting fees.
Relationship with Directors, Managers and KMP	NIL	NIL	NIL
No of Board meetings attended during the financial year	4	5	3
No of Audit Committee meetings attended during the financial year	8	8	N.A.
No of Nomination and Remuneration Committee meetings attended during the financial year	1	1	1
No of Corporate Social Responsibility Committee meetings attended during the financial year	N.A.	N.A.	5
No of Independent Directors Meeting attended during the financial year	1	1	1

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No of Stakeholders Committee Meetings attended during the year	1	N.A.	N.A.
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Date: 23.06.2022

Place: Pune

By Order of the Board

Sd/-

Apurva Joshi

Company Secretary

Flat No. 4, Building No. 17

Konark Aangan,

Opp. Chintamani Nagar Part – II,

Bibvewadi, Pune - 411037

M. No. A32972

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P. N. GADGIL & SONS LIMITED

(CIN - U36911PN2017PLC173262)

Regd. Office: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK),
Sinhgad Road Pune - 411041

Email Id: info@pngadgilandson.com website: www.pngadgilandsons.com

Phone No. – +91 20 24612000 Fax No. – 020 24612185

ATTENDANCE SLIP

[To be presented at the entrance]

Annual General Meeting on Monday, 25th July, 2022 at 12:30 P.M.
at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041

Folio No.....DP ID No.....Client ID.....

No. of Shares held

Name of the MemberSignature.....

Name of Proxy Holder.....Signature.....

I / We hereby record my / our presence at the Annual General Meeting of the Company held on Monday, 25th July, 2022 at 12:30 P.M. at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041

Note:

1. Only Member / Proxy holder can attend the Meeting.
2. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.

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(CIN - U36911PN2017PLC173262)

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Email Id: info@pngadgilandson.com website: www.pngadgilandsons.com
Phone No. – +91 20 24612000 Fax No. – 020 24612185

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered address:
E-mail Id:
Folio No:
Clint ID/DP ID:

I/ We being the member of, holding.....shares, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:

or failing him

2. Name

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote for me/us and on my/our behalf at 5th Annual General Meeting of members of the Company, to be held on Monday, 25th July, 2022 at 12:30 P.M. at S. No. 37/1 & 37/2 near Lokmat New Paper, Vadgaon, Khurd, Pune- 411041 and at any adjournment thereof in respect of such resolutions as are indicated below:

P. N. Gadgil & Sons Limited

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Sr. No.	Resolution	Vote (For or Against)
Ordinary Business		
1.	Adoption of financial statements	
2.	Appointment of Mr. Amit Yeshwant Modak (DIN: 00396631), as a Director liable to retire by rotation	
Special Business		
3.	Acceptance of Public Deposits	
4.	Revision in Remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617), Whole time Director	
5.	Revision in Remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole time Director	
6.	Revision in Remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631), Whole time Director	
7.	Re-Appointment of Mr. Govind Vishwanath Gadgil as Whole Time Director (DIN : 00616617) and to fix his remuneration thereof	
8.	Re-Appointment of Mrs. Renu Govind Gadgil as Whole Time Director (DIN : 07412955) and to fix her remuneration thereof	
9.	Re-Appointment of Mr. Amit Yeshwant Modak as Whole Time Director (DIN : 00616617) and to fix his remuneration thereof	
10.	Reappointment of Mr. Ashish Chandrakant Khandelwal as an Independent Director	
11.	Reappointment of Mr. Ashok Namdeo Gokhale as an Independent Director	
12.	Reappointment of Mr. Ranjeet Sadashiv Natu as an Independent Director	

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13.	To authorise the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013	
14.	To authorise the Board of Directors under Section 180 (1) (a) of the Companies Act, 2013	

Signed thisday of..... 2022

Affix Revenue
Stamp of Re.
1/-

Signature of Shareholder:

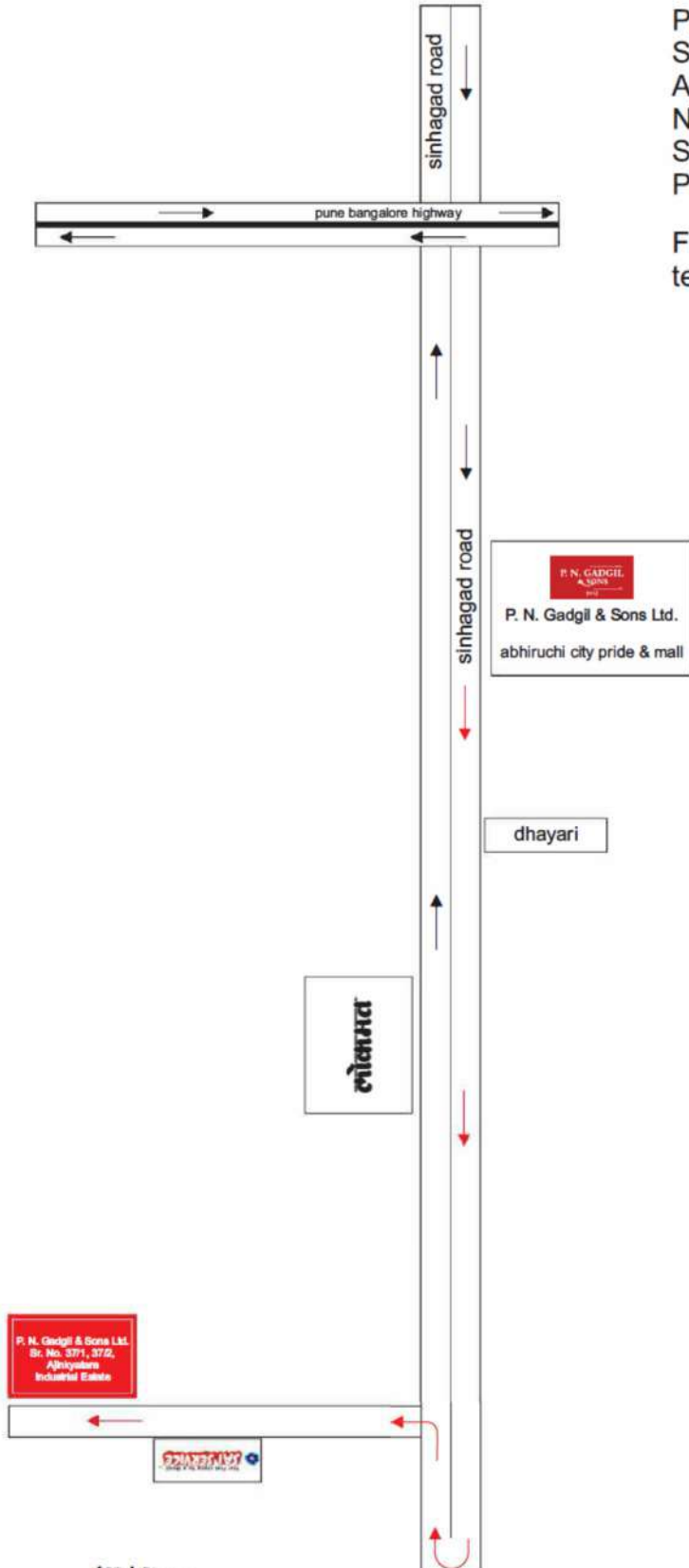
Signature of Proxy holder(s):

Note:

- 1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**

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P. N. Gadgil & Sons Ltd.
Sr. No. 37/1, 37/2,
Ajinkyatara Industrial Estate,
Next to Lokmat Press Office
Sinhagad Road, Wadgaon Khurd,
Pune, Maharashtra 411041

For queries, contact us :
tel : 202 - 24612000 / 67520200

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 5th Annual Report together with the audited financial statements for the year ended **31st March, 2022**.

1. FINANCIAL RESULTS

(Rs. In Millions)

Particulars	For the Financial Year ended 31 st March, 2022	For the Financial Year ended 31 st March, 2021
Turnover	56,499.43	21, 597.55
Other Income	79.18	72.61
Gross Income	56,578.61	21,670.16
EBIDTA	1,854.09	2,246.32
Interest & Finance Expenses	305.55	278.06
Depreciation & Amortization	155.44	154.43
Profit / (Loss) before Tax	1,393.10	1,813.83
Less : Current Tax	370.62	461.51
(Less) / Add : Previous Year's Tax	--	--
(Less) / Add: Deferred Tax	(5.03)	(4.54)
Profit / (Loss) after Tax	1,027.51	1,356.86
Other Comprehensive Income		

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- Re-measurement gain/(loss) on defined benefit plans	10.48	(18.05)
- Effect of income tax	(2.64)	4.54
Other Comprehensive Income, net of tax	7.84	(13.51)
Total Income, net of tax	1,035.35	1,343.35
Basic and Diluted Earnings Per share (EPS)	30.66	39.78

2. OPERATIONS OF THE COMPANY AND THE STATE OF COMPANY'S AFFAIRS

We are one of the leading and trusted organized retail jewellery entity in Maharashtra. The legacy of the "P. N. Gadgil" brand traces back over six generations to the year 1832.

This year your Company crossed the turnover of Rs. 2400 (in millions) which itself a milestone for the Company. This year turnover could have been even better but due to COVID-19 pandemic, our branches started getting closed for avoiding spread of the disease since last week of March 2021 and we lost our precious day of business i.e. Gudhi Padwa and Akshaytritiya. This has impacted negatively, in quantity on our turnover.

To promote our brand we are creating 360 degree brand communication and marketing as a part of this initiative we are associated with TV serials, films, web series, celebrity integration and further to connect with the youth we are using digital platforms such as Facebook, Instagram and YouTube. In many serials, we have integration which gives us better response over and above normal commercial advertisements. The Company has opted for television serials and other programs for marketing which will have impact on the larger geographical area.

Also, during the year under review, the Company decided to enter into a new segment of "bullion trading" as an initiative to expand its business, which commenced in the month of July 2022. The Company has received a huge response for the same. Further, in order to make smooth functioning of sale under this category, the Company is in process of developing an App through which small jewellers can book and purchase the goods. The management is sure that this will definitely be helpful in building up the sale.

During the financial year 2021-22, the Company had purchased premises at Sangamner for relocating its existing showroom which was located in rental premises. Renovation and

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upgradation of the premises was in progress and got completed during the year under review. Further, the shifting of existing showroom was carried out in the month of August, 2021.

The Company decided last year not to have additional branch expansion for consolidating operations and for creating smooth working of backend operations after rapid expansion during March, 2017 to March, 2019. This policy will continue till September, 2022.

CURRENT SCENARIO

As of 31st March, 2022, we have 27 stores in Maharashtra and one store in Gujarat and Karnataka each.

COVID-19 have impacted earnings of middle class, higher middle class and working class, which may reduce their disposal surplus and impact on their spending preferences on luxury goods. This behavior also can impact on our business.

3. EXPANSION

During the year under review, Company had purchased premises at Sangamner for relocating its existing showroom which is located in rental premises. Renovation and upgradation of the premises is in progress and shifting of existing showroom in owned premises will take place in first six months of current year 2021-22. We are further exploring to have own premises in Solapur City. Further, the Company plans to open one or two new showrooms in coming period.

4. CHANGE IN NATURE OF BUSINESS, IF ANY

The Company has not changed its nature of business during the financial year ended 31st March, 2022.

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

As per Government restrictions and imposition of lockdown at various places, the Company had to close down its shops w.e.f. 15th April, 2021. During the year under review due to COVID-19 pandemic, the Company has done booking using online facility.

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The outbreak of Coronavirus (COVID-19) pandemic, globally and in India has been causing significant disturbance and slowdown of economic activity. The markets where we serve continue to undergo massive disruptions due to the COVID-19 pandemic. The continued spread of COVID-19 has adversely affected workforces, vendors and cancellations or ramp-downs of existing projects and could adversely affect further demand for prospective projects, increase pricing pressure, higher travel restrictions, affected supply-side constraints and might adversely impact sales conversion cycles.

The economic fallout of and the subsequent recovery of COVID-19 will depend on multiple factors such as recovery driven by containment efforts, supply chain, disruptions, impact of lockdown etc., The potential impact to our results going forward will depend to a large extent on future developments regarding COVID-19 that cannot be accurately predicted at this time, including the duration and severity of the pandemic, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers, partners and vendors.

We will remain resolute in our goals of employee safety, business continuity and of being a trusted partner to our comments.

6. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANIES OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators, courts or tribunals, which affect the going concern status of the Company and its operations in future.

7. RESERVES

During the year under review, the Company has transferred an amount of Rs. 25.00 (in millions) to General Reserves and Rs. 125.00 (in millions) to Inventory Price Risk Reserve.

8. DIVIDEND

The Company has earned a profit of Rs. 1027.51 (in millions) in the financial year 2021-22. However, the Board of Directors do not recommend any dividend in the current financial year due to COVID-19 pandemic and future uncertainty as opined by world experts, the Company has decided and the same shall be kept in order to conserve resources and to maintain liquidity required for smooth running of existing setup which may require due to increasing Gold prices.

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9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2022, the Board of your Company comprises of 8 Directors including 3 Whole Time Directors, 4 Independent Directors and 1 Non-Executive Director. There is no change in composition of Board of Directors and Key Managerial Personnel during the period.

However, approval of members will be sought in the Annual General Meeting to be held on Monday, 25th July, 2022 for reappointment of below Whole Time Directors and Independent Directors for a term of 5 (Five) years

1. Govind Vishwanath Gadgil – Whole Time Director
2. Renu Govind Gadgil – Whole Time Director
3. Amit Yeshwant Modak – Whole Time Director
4. Ranjeet Natu – Independent Director
5. Ashok Gokhale – Independent Director
6. Ashish Khandelwal – Independent Director

In the opinion of the Board, Mr. Ranjeet Natu, Mr. Ashish Khandelwal and Mr. Ashok Gokhale, Independent Directors of the Company possess requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Directors of the Company and the Board considers that, given their professional background, experience and contributions made by them during their tenure, the continued association with them would be beneficial to the Company.

Mr. Govind Vishwanath Gadgil (DIN: 00616617), Mrs. Renu Govind Gadgil (DIN : 07412955) and Mr. Amit Yeshwant Modak (DIN : 00396631), Whole Time Directors of the Company hold office for five consecutive years up to 04th December, 2022. Further, they are eligible for re-appointment as Whole Time Directors of the Company for another term of five consecutive years. Hence, according to the provisions of the Companies Act, 2013, and based on the recommendation of the Nomination and Remuneration Committee, the Board has approved the re-appointment of Mr. Govind Vishwanath Gadgil (DIN: 00616617), Mrs. Renu Govind Gadgil (DIN :07412955) and Mr. Amit Yeshwant Modak (DIN : 00396631) as Whole Time Directors of the Company for five consecutive years with effect from 05th December, 2022 up to and including 04th December, 2027 subject to the approval of the members through a special resolution to be passed at the 5th AGM of the Company. Their respective brief profiles and other details as required under the Companies Act, 2013 to

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their re-appointment, are provided in the Notice of the 5th AGM of the Company and the explanatory statement under section 102 of the Companies Act, 2013, annexed to it.

Mr. Ranjeet Natu (DIN : 02892084), Mr. Ashok Gokhale (DIN :02415119) and Mr. Ashish Khandelwal (DIN :00098473), Independent Directors of the Company hold office for five consecutive years up to 09th December, 2022. Further, they are eligible for re-appointment as an Independent Directors of the Company for another term of five consecutive years. Hence, according to the provisions of the Companies Act, 2013, and based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the re-appointment of Mr. Ranjeet Natu (DIN : 02892084), Mr. Ashok Gokhale (DIN :02415119) and Mr. Ashish Khandelwal (DIN :00098473) as an Independent Directors for another term for five consecutive years with effect from 10th November, 2022 up to 09th November, 2027 subject to the approval of the members through a special resolution to be passed at the 5th AGM of the Company. Their respective brief profiles and other details as required under the Companies Act, 2013 to their re-appointment, are provided in the Notice of the 5th AGM of the Company and the explanatory statement under section 102 of the Companies Act, 2013, annexed to it.

10. RETIREMENT OF DIRECTOR

Pursuant to Section 152 of the Companies Act 2013 read with Article 94 of Articles of Association of the Company, Mr. Amit Yeshwant Modak (DIN :00396631) Director of the Company is liable to retire by rotation and being eligible has offered himself for reappointment at this Annual General Meeting.

11. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013

The Company has received declarations from the Independent Directors of the Company under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Directors.

12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial period 2021-22, the Board of Directors met **7** times, the details of which are as under.

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Sr. No.	Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors present
1.	25 th May, 2021	8	3
2.	04 th June, 2021	8	8
3.	09 th July, 2021	8	4
4.	09 th August, 2021	8	4
5.	03 rd September, 2021	8	5
6.	02 nd November, 2021	8	8
7.	28 th January, 2022	8	5

Attendance of Directors at Board Meetings

Name of the Directors	No of Board meetings held	No of Board Meetings attended
Mr. Govind Gadgil	7	7
Mrs. Renu Gadgil	7	6
Mr. Amit Modak	7	7
Mr. Ashish Khandelwal	7	4
Mr. Ashok Gokhale	7	3
Mr. Ranjeet Natu	7	5
Mr. Udaya Kalkundrikar	7	3
Mr. Ashutosh Nanal	7	2

13. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, your Directors state as under –

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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- (b) 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 period and of the profit of the Company for that period;
- (c) 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;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively. The Company is a non-listed entity; and
- (f) 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.

14. EXTRACT OF THE ANNUAL RETURN

As per the Companies (Management and Administration) Amendment Rules, 2020 dated 28th August, 2020, the Annual Return is being placed on the website of the Company <https://www.pngadgilandsons.com> and hence extract of the annual return in Form No. MGT-9 is not attached to the Directors Report.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into contracts / arrangements / transactions with the related parties during the financial year 2021-22, which were on arm's length basis and also done in the ordinary course of business. Further, the Company has not entered into any contracts / arrangements / transactions with the related parties under Section 188(1) of the Act, which are material in nature. Thus, the provisions of Section 188(1) of the Companies Act, 2013 are not applicable and the disclosure in Form AOC 2 is not required.

Your attention is drawn to the related party disclosure made in the note contained in the financial statements of the Company.

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16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has neither granted any loans nor given any guarantees during the financial period under consideration. Investments form part of the Notes to the financial statements provided in the Annual Report.

For the purpose of insulating the Company from shock resulting from fluctuations in the gold, silver and other precious metals it was decided to invest 5% of the valuation of the inventory owned by the Company as at the end of the year 31st March, 2022, in the liquid financial assets such as GILT, Liquid funds and as fixed deposit with any scheduled and/or commercial banks etc. upto or before 31st March, 2022. It was further decided that the Provisions made at end of every year should be backed by actual Investment on or before 31st December of respective year. Hence Company has transferred Rs. 125.00 (in millions) to Inventory Price Risk Reserve.

17. DEPOSITS

During the period under report, your Company has accepted deposit from the public or other eligible entities within the meaning of Section 73 to 76 of the Companies Act, 2013. Allowable deposits as per Financial year 2021-22 were Rs. 1,28,46,40,197/- and Deposits as on March 31, 2022 were Rs. 16,98,00,000/-

Sr. No.	The details relating to deposits, covered under Chapter V of the Act -	Amount in Rs.
(a)	accepted during the year;	3,66,00,000/-
(b)	Withdrawals / Prematured Withdrawals	55,50,000/-
(c)	remained unpaid or unclaimed as at the end of the year;	NIL
(d)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	NIL
(i)	at the beginning of the year;	
(ii)	maximum during the year;	
(iii)	at the end of the year;	

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18. UNSECURED LOANS

During the year under reporting the Company has accepted Rs.770.08 (in millions) towards payment of the Unsecured Loan from Mr. Govind Vishwanath Gadgil and Mrs. Renu Govind Gadgil, Whole-time Directors of the Company. Pursuant to rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 a declaration has been received from them that the amount has not been given out of the funds acquired by them, either by borrowings or by accepting loans or deposits from other. Further an amount of Rs. 835.00 (in millions) has been repaid back to the Company by them. At the end of the year, outstanding unsecured loan amount from Mr. Govind Vishwanath Gadgil and Mrs. Renu Govind Gadgil, Whole-time Directors of the Company is Rs. 105.00 (in millions).

19. REMUNERATION OR COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANIES

As there are no subsidiary or holding company whole time director has not received any remuneration or commission during the year under report.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR) / CSR

Your Directors have constituted a CSR Committee as per Section 135 of the Companies Act 2013 to identify, monitor and review CSR activities of the Company and provide strategic directions for implementation of the CSR policy of the Company which can be accessed on the **website of the Company at <https://www.pngadgilandsons.com>**.

The members of the CSR committee are as follows:

1. Mr. Ashok Namdeo Gokhale, Independent Director, Chairman of the Committee
2. Mr. Amit Yeshwant Modak, Whole Time Director & CEO
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

Five (5) meeting of the Committee were held during the period ended 04th June, 2021, 09th July, 2021, 02nd November, 2021, 05th February, 2022 and 02nd March, 2022 detailed as under:

Names of Members	No of meetings attended
Mr. Amit Yeshwant Modak	5
Mr. Govind Vishwanath Gadgil	5
Mr. Ashok Namdeo Gokhale	5

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The brief outline of the Corporate Social Responsibility Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year, in the prescribed format, as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as “**Annexure A**” to this Report.

The Company was required to spend Rs. 31.30 (in millions) towards CSR activities during the financial year under review as per the applicable provisions. However, the Company has spent Rs. 29.97 (in millions). There is an unspent amount of Rs. 1.33 (in millions) pertaining to ongoing project. Out of this amount, the Company has spent Rs. 5,00,000 /- till April, 2022.

Further, as mentioned in vide gazette notification no. G.S.R. 40(E) dated 22nd January, 2021, the Company has outlined an ongoing project in tie up with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya.

The Company has not deposited unspent amount pertaining to its ongoing project Chhatrapati Shivaji Maharaj Vastu into Unspent CSR Account and inadvertently has spent an amount of Rs. 5 lakhs directly on its ongoing project through implementing agency Chhatrapati Shivaji Maharaj Vastu Sangrahalaya on 20.4.2022.

Due to technical glitch, the Company has failed to create Fixed Deposit of Rs. 8,31,283/- on or before 30th April, 2022 of its ongoing project and the same will be decided and created once discussed in the CSR Committee and upcoming Board Meeting.

The Company will be exclusively using the above amount for the said project only. The project comprises of protection and maintenance of artifacts available in the Museum and the said funds will be utilized for its maintenance.

21. AUDIT COMMITTEE

Your Directors have constituted the Audit committee in accordance with Section 177 of the Companies Act, 2013 read with rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 as follows:

1. Mr. Ashish Chandrakant Khandelwal, Independent Director, Chairman of the Committee
2. Mr. Ranjeet Sadashiv Natu, Independent Director
3. Mr. Amit Yeshwant Modak, Whole Time Director

Eight (8) meetings of the Committee were held during the period ended 31st March, 2022 on 04th June, 2021, 30th June 2021, 07th August, 2021, 20th August, 2021, 22nd December, 2021, 28th January, 2022, 14th March, 2022, 28th March, 2022 detailed as under:

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Names of Members	No of meetings attended
Mr. Ashish Chandrakant Khandelwal	8
Mr. Ranjeet Sadashiv Natu	8
Mr. Amit Yeshwant Modak	8

22. NOMINATION AND REMUNERATION COMMITTEE

Your directors have constituted a Nomination and Remuneration Committee in the year 2017-18 as required under the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration committee consisted of following members:

1. Mr. Ranjeet Sadashiv Natu, Independent Director, Chairman of the Committee
2. Mr. Ashok Namdeo Gokhale, Independent Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director
4. Mr. Ashish Chandrakant Khandelwal, Independent Director

One(1) of the Committee were held during the period ended 31st March 2022 on 09th July, 2021 detailed as under :

Names of Members	No. of meetings attended
Mr. Ranjeet Sadashiv Natu	1
Mr. Ashok Namdeo Gokhale	1
Mr. Govind Vishwanath Gadgil	1
Mr. Ashish Chandrakant Khandelwal	1

Policy on Nomination and Remuneration can be accessed on the website of the Company at <https://www.pngadgilandsons.com>.

23. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee formed under the provisions of Section 178(5) of Companies Act, 2013, consists of following members:

1. Mr. Ashish Chandrakant Khandelwal, Independent Director, Chairman of the Committee
2. Mr. Amit Yeshwant Modak, Whole Time Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

P. N. Gadgil & Sons Limited

Address: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune 411041, Maharashtra, India
CIN: U36911PN2017PLC173262 **Contact:** 020-24612000, 020-67520200 **Email:** info@pngadgilandsons.com
Website: www.pngadgilandsons.com.



This Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholder's / investor's / security holder's complaints.

Policy on Stakeholders Relationship is available on the website of the Company at <https://www.pngadgilandsons.com>.

24. BORROWING COMMITTEE

The Borrowing committee formed in view of need for operational convenience consist of following members:

1. Mr. Govind Vishwanath Gadgil (DIN: 00616617)
2. Mrs. Renu Govind Gadgil (DIN: 07412955)
3. Mr. Amit Yeshwant Modak (DIN: 00396631)

This Committee is authorized to borrow in the form of fund based and non-fund credit facilities from Bankers, financial institutions, bodies corporate and other eligible entities upto the amount approved by the Board of Directors of the Company.

25. NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE PERIOD

No companies have become or ceased to be subsidiaries, joint ventures or associate companies during the year under review.

26. PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

As the Company does not have Subsidiary/Joint Ventures/Associates Companies as on March 31st, 2022, this clause is not applicable.

27. SECRETARIAL STANDARDS

The Company generally complies with all applicable secretarial standards, issued by the Council of the Institute of Company Secretaries of India.

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28. COST RECORDS

The provisions of Section 148 of the Companies Act, 2013 read with Notifications/ Circulars issued by the Ministry of Corporate affairs from time to time, regarding maintenance of Cost records, are not applicable to the company.

29. STATEMENT ON RISK MANAGEMENT POLICY

Every business is subject to risks, uncertainties that could cause actual results to differ materially from those contemplated. The Company is aware of all these risk factors and has accordingly formulated various policies and procedures to face the challenges ahead. The Company has such policy in place since its inception and is under regular improvements. A Risk Management Policy is available on the website of the Company at <https://www.pngadgilandsons.com>.

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

The Company has in place a policy for prevention of sexual harassment at workplace. This inter alia provides a mechanism for the resolution, settlement or prosecution of acts or instances of Sexual Harassment at work and ensures that all employees are treated with respect and dignity. The Internal Complaints Committee(s) (ICC) has been set up by the Company to redress complaints received regarding sexual harassment and No complaint has been received till date.

Policy is available on the website of the Company at <https://www.pngadgilandsons.com>.

During the year under review, in this regard, the Company has no cases. The Company is in compliance under the Act.

31. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The formal evaluation mechanism has been adopted for evaluating the performance of the Board as well as performance of its Committees and Individual Directors of the Board.

The exercise was carried out through a structured evaluation process covering various aspects such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, attendance and contribution at Board meetings / Committee meetings / General meetings, preparedness for meetings, effective decision making ability, knowledge of sector where company operates, understanding and avoidance

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of risk while executing functional duties, successful negotiating ability, initiative to maintain corporate culture, commitment, dedication of time, leadership quality, attitude, initiatives and responsibilities undertaken, achievements etc.

In a separate meeting of Independent Directors held on 15th March, 2022, performance of non-independent Directors, performance of Board as a whole and performance of the Chairman were evaluated taking into account the views of executive and non-executive Directors and appreciated for well managing Company's cash flow and starting new activity of Bullion on B2B trading. The said meeting was attended by all the Independent Directors.

Further, the Board has expressed their satisfaction and has been thankful to all its Independent Directors for sharing their knowledge and expertise which has been proved beneficial towards the progress of the Company.

32. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

There is nothing to be reported with respect to conservation of energy, technology absorption and foreign exchange as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail such mechanism and also provide for direct access to the Chairman of the Audit Committee. The Policy can be accessed at the website of the Company at <https://www.pngadgilandsons.com>

34. INTERNAL FINANCIAL CONTROL

The Company has well devised Internal Control systems adopted by the Management to assist in achieving management's objective of ensuring the orderly and efficient conduct of its business, including, adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The system of internal control is under continuing supervision by management to determine that it is functioning as prescribed and is modified, as appropriate, for changes in conditions. The

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Company endeavors to create the control environment with budgetary controls and an effective internal audit function.

35. STATUTORY AUDITORS

The resolution passed in the 1st Annual General Meeting of the Company held on 27th July, 2018, the members approved appointment of M/S Shah and Taparia, Chartered Accountants (Registration No. 109463W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting (Vide notification dated 7th May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting).

36. REPLIES TO COMMENTS IN AUDITORS REPORT

The replies to the Auditor's Comments are as per "**Annexure B**" which forms part of this report.

37. REPLIES TO COMMENTS IN SECRETARIAL AUDITOR REPORT

The reply to the Secretarial Auditor's Comment are as per "**Annexure C**" which forms part of this report

38. SECRETARIAL AUDITOR

In accordance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Ms. Avanti Rajwade, Practicing Company Secretary as the Secretarial Auditor of the Company. Ms. Avanti Rajwade, Practicing Company Secretary has submitted Secretarial Audit Report of the Company for financial Year ending on 31st March, 2022 under Section 204 of the Companies Act, 2013 and the same is enclosed as "**Annexure D**". It forms part of this report.

39. INTERNAL AUDITORS

In accordance with the provisions of Section 138 of the Companies Act, 2013 and the rules framed thereunder the Board of Directors have appointed M/s. Khandelwal Jain & Associates, Chartered Accountants, Pune (FRN 139253W) for the Financial Year ending 31st March, 2022.

P. N. Gadgil & Sons Limited

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40. ACKNOWLEDGEMENTS:

The Directors place on record their sincere appreciation of the co-operation extended by the Bankers of the Company, Stakeholders, business associates, consultants, deposit holders and various Government Authorities for their continued support extended to your Company's activities during the period under review.

The Board further take opportunity to place on record its deep appreciation for the committed efforts by the employees of Company at all the levels.

For & on behalf of the Board
P. N. Gadgil & Sons Limited

Date: 23.06.2022
Place: Pune

Sd/-
Govind Vishwanath Gadgil
DIN:00616617
Chairman & Whole time Director
576, N C Kelkar Road, Shaniwar Peth
Opp Kesari Wada, Pune 411030

sd/-
Amit Yeshwant Modak
DIN:00396631
Whole time Director & CEO
65 Indira Nagar C.H.S, Yashada
Deccan Gymkhana, Erandawane
Pune 411004

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**CORPORATE SOCIAL RESPONSIBILITY (CSR)
FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR
FINANCIAL YEAR COMMENCING ON OR AFTER 01ST APRIL, 2021**

1. Brief outline on CSR Policy of the Company-

As per Section 135 of the Companies Act 2013, the Company has constituted CSR Committee to identify, monitor and review CSR activities of the Company and provide strategic directions for implementation of the CSR policy, which can be accessed on the website of the Company at <https://www.pngadgilandsons.com>.

The Company has identified and considered areas of operations as per Schedule VII of the Companies Act, 2013 and is being spending accordingly.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Govind Vishwanath Gadgil	Whole Time Director	5	5
2	Amit Yeshwant Modak	Whole Time Director and CEO	5	5
3	Ashok Namdeo Gokhale	Independent Director	5	5

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.pngadgilandsons.com>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable for the financial year under review
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

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Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
NIL			

6. Average net profit of the Company as per section 135(5) - Rs.1,19,75,07,691 /-

- a) Two percent of average net profit of the company as per section 135(5) - Rs. 2,39,50,154 /-
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial Years - NIL
- c) Amount required to be set off for the financial year, if any- Nil
- d) Total CSR obligation for the financial year (7a+7b-7c)-Rs. 2,39,50,154 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 2,26,18,871 /-	Rs. 13,31,283/-	Refer below note *	NA	NA	NA

* The Company has not deposited unspent amount pertaining to its ongoing project Chhatrapati Shivaji Maharaj Vastu Sangrahalaya mention name of project Chhatrapati Shivaji Maharaj Vastu Sangrahalaya into Unspent CSR Account and inadvertently has spent an amount of Rs. 5 lakhs directly on its ongoing project through implementing agency project Chhatrapati Shivaji Maharaj Vastu Sangrahalaya on 20.4.2022.



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* Due to technical glitch, the Company has failed to create Fixed Deposit of Rs. 8,31,283/- on or before 30th April, 2022 of its ongoing project and the same will be decided and created once discussed in the CSR Committee and upcoming Board Meeting.

b) Details of CSR amount spent against **ongoing projects** for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project duration.	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency
1.	Protection of national heritage	Schedule VII(v) – Protection of national heritage	Yes	Maharashtra	Mumbai	Ongoing	Rs. 23,31,283 /-	Rs. 10,00,000/-	Rs. 13,31,283/-	Yes	Chhatrapati Shivaji Maharaj Vastu Sangrahalaya	CSR00009760
	Total	-	-	-	-	-	Rs. 23,31,283 /-	Rs. 10,00,000/-	Rs. 13,31,283/-*	-	-	-

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* As mentioned in Gazette Notification No. G.S.R. 40(E) dated 22nd January, 2021, the Company has decided to spend the remaining amount of Rs. 13,31,283/- on an ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya. e. for protection of national heritage. The decision in this regard was taken in the CSR Committee meeting held on 02nd November, 2021. The Company had issued a cheque of Rs. 5,00,000/- in the month of April, 2022 for the said ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya.

*The Company will spend the said amount on/before 30th September, 2022 on the ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya. Due to technical glitch, the Company has failed to create Fixed Deposit of Rs. 8,31,283/- on or before 30th April, 2022 of its ongoing project and the same will be decided and created once discussed in the CSR Committee and upcoming Board Meeting.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Eradicating Hunger	Schedule VII (i) —Eradicating hunger and malnutrition	Yes	Maharashtra	Satara, Phaltan, Baramati, Indapur, Shirur	1,17,08,871	Yes	NA	NA
2.	Promoting Education	Schedule VII (ii) —Promoting education	Yes	Maharashtra	Sangli	7,00,000	No	Kasegaon Education Society	CSR00008554

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3.	Upliftment of Eco-Socio backward Society	Schedule VII (ii) & (iii)- Promoting education, measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Mumbai	16,00,000	Yes	Omkar Andh-Apang Samajik Sanstha	CSR00003196
4.	Promotion of Education and Self development	Schedule VII (ii) – Promoting education	Yes	Maharashtra	Jalgaon	11,00,000	Yes	Prakash chand Jain Bahudeshiya Sanstha	CSR00009230
5.	Relief for Poor	Schedule VII (i) & (ii) Eradicating hunger, poverty, Promoting setup of old age homes	Yes	Uttar Pradesh	Mathura	12,00,000	Yes	Jan Jagrati Sevarth Sansthan	CSR00006903
6.	Workshop for special kids	Schedule VII (ii) - Promoting education, including special education amongst children	Yes	Maharashtra	Pune,	10,000	Yes	Padmpurush Foundation	CSR00011767
7.	Cultural Activities	Schedule VII(v) – Protection of culture	Yes	Maharashtra	Pune, Satara, Solapur and Nashik	15,50,000	Yes	Violin Academy	CSR00014702
8.	Construction of Jogging Track and Ground for Kho-Kho and Kabaddi	Schedule VII(vii)- Promoting rural sports	Yes	Maharashtra	Baramati	37,00,000	Yes	D. A. Satav Alias Karbhari	CSR00010839

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								Anna Charitable Foundation	
9.	Healthcare Assistance	Schedule VII (i) - Preventive Healthcare	Yes	Maharashtra	Pune	50,000	Yes	Colonel's Cube	CSR00008032
	Total					2,16,18,871			

(d) Amount spent in Administrative Overheads -NA

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 2,26,18,871/-

(g) Excess amount for set off, if any –Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 2,39,50,154 /-
(ii)	Total amount spent for the Financial Year	Rs. 2,26,18,871/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

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Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	Rs.	Rs.	NA	NA	NA	NA
2.		73,50,159 /-	73,50,159 /-				
3.				*			
	Total						

* Out of the said amount, Rs. 66,000/- are towards Administrative Overheads spent towards the said ongoing project.

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1.	Distribution of Milk and Milk products	Schedule VII(1) Eradicating hunger and malnutrition	Yes	Ongoing	Satara, Phaltan, Baramati, Indapur, Shirur	Ongoing	73,50,159 /-	Completed
	Total						73,50,159 /- *	

P. N. Gadgil & Sons Limited

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Website: www.pngadgilandsons.com.



* Out of the said amount, Rs. 66,000/- are towards Administrative Overheads spent towards the said ongoing project.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**)- Not Applicable

(a) Date of creation or acquisition of the capital asset(s).-Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset- Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc- Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)-Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

Sd/- Amit Yeshwant Modak (Whole Time Director & Chief Executive Officer)	Sd/- Ashok Namdeo Gokhale (Chairman CSR Committee).	Sd/- Govind Vishwanath Gadgil (Whole Time Director)
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P. N. Gadgil & Sons Limited

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Annexure B

REPLIES TO AUDITORS' REMARKS

Sr. No.	Auditor Remarks	Replies to Auditor Remarks
1.	Observations made by the Auditors in their Report under Para (i) (c) of Annexure B to the Auditors Report regarding holding of some of the assets, deposits and instruments in the name of erstwhile partnership firm	As regards this, the Directors state that the Company was incorporated on 6 th November, 2017 consequent upon conversion of erstwhile Partnership firm i.e. P. N. Gadgil & Sons, in accordance with section 366, Part I of Chapter XXI of the Companies Act, 2013. The Company is in the process of getting those assets, deposits and instruments registered in the name of the Company i.e. "P. N. Gadgil & Sons Ltd.", with the State Revenue Authorities and relevant Local Bodies.
2.	Observations made by the Auditors in their Report under Para (vii) (b) of Annexure B to the Auditors Report regarding the dues outstanding towards various tax authorities	As regards this, the Directors state that the said remark is self-explanatory and does not call for any further explanation.
3.	Observations made by Auditor in their Report under Point (xx) (b) regarding direct spent of CSR amount on ongoing project without depositing in the Unspent CSR account before 30.04.2022	Due to inadvertence, the Directors state that the Company has missed the compliance and made a direct spent on the said ongoing project. The Company ensures that necessary care will be taken hereinafter.

For & on behalf of the Board

P. N. Gadgil & Sons Limited

Date: 23.06.2022
Place: Pune

Sd/-
Govind Vishwanath Gadgil
DIN:00616617
Chairman & Whole time Director
576, N C Kelkar Road, Shaniwar Peth
Opp Kesari Wada, Pune 411030

Sd/-
Amit Yeshwant Modak
DIN:00396631
Whole time Director & CEO
65 Indira Nagar C.H.S, Yashada
Deccan Gymkhana, Erandawane
Pune 411004

P. N. Gadgil & Sons Limited

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Annexure C

REPLIES TO SECRETARIAL AUDITORS' REMARKS

Sr. No.	Auditor Remarks	Replies to Auditor Remarks
1.	Observations made by the Auditors in their Report under PART A (IV) sub point 1 regarding holding of some of the assets, deposits and instruments in the name of erstwhile partnership firm	As regards this, the Directors state that the Company was incorporated on 6 th November, 2017 consequent upon conversion of erstwhile Partnership firm i.e. P. N. Gadgil & Sons, in accordance with section 366, Part I of Chapter XXI of the Companies Act, 2013. The Company is in the process of getting those assets, deposits and instruments registered in the name of the Company i.e. "P. N. Gadgil & Sons Ltd.", with the State Revenue Authorities and relevant Local Bodies.
2.	Observations made by Auditor in their report under Part A (IV), sub point 2 regarding direct spent of CSR amount on ongoing project without depositing in the Unspent CSR account before 30.04.2022	Due to inadvertence, the Directors state that the Company has missed the compliance and made a direct spent on the said ongoing project. The Company ensures that necessary care will be taken hereinafter.
3.	Observations made by Auditor in their report under Part A (IV) sub point 3 regarding Overdraft account of the Company with Yes Bank Limited	Due to inadvertence, the Directors state that the Company has missed the compliance and failed to submit the Form. The Company ensures that necessary care will be taken hereinafter.

For & on behalf of the Board

P. N. Gadgil & Sons Limited

Sd/-

Govind Vishwanath Gadgil

DIN:00616617

Chairman & Whole time Director
576, N C Kelkar Road, Shaniwar Peth
Opp Kesari Wada, Pune 411030

sd/-

Amit Yeshwant Modak

DIN:00396631

Whole time Director & CEO
65 Indira Nagar C.H.S, Yashada
Deccan Gymkhana, Erandawane
Pune 411004

Date: 23.06.2022

Place: Pune

P. N. Gadgil & Sons Limited

Address: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune 411041, Maharashtra, India
CIN: U36911PN2017PLC173262 **Contact:** 020-24612000, 020-67520200 **Email:** info@pngadgilandsons.com
Website: www.pngadgilandsons.com.

Annexure D

AVANTI RAJWADE
Company Secretary
804 B, Rajwade House,
Lane No 14, Bhandarkar Road,
Deccan Gymkhana,
Pune – 411004
csavantirajwade4@gmail.com
9028193458

Form No. MR-3

Secretarial Audit Report

For the financial year ended **31 March 2022**

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

To,
The Members,
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262
Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK),
Sinhgad Road, Pune 411041

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **P. N. Gadgil & Sons Limited** (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Part A

I) Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on **31 March 2022**, generally 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:

II) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on **31 March 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (*)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; (*)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*) and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (*)

(*) The provisions of these Acts / Regulations / Guidelines were not applicable to the Company during the year under report.

- (vi) The other law/s, as informed and certified by the management of the Company which is / are specifically applicable to the Company based on the sector/industry, is / are:

Bureau of Indian Standards Act, 2016 and Rules & Regulations framed there under

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India

- (ii) The Listing agreements entered into by the Company with Stock Exchange(s); No such agreement is executed, since the Company is a non-listed entity;

IV) During the year under report, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, subject to the following observations:.

1. The Title deeds comprising all the immovable properties of land and buildings, are held in the name of erstwhile partnership firm which got converted into the company on 6th November 2017 by way of operation of law under Section 366, Part, XXI of the Companies Act 2013. According to explanation from the management, all properties are deemed to be transferred/vested to the company from erstwhile firm by operation of law u/s 366 of the Co Act 2013.
2. The Company on 20 April 2022 has directly spent Rs. 5,00,000/- out of Rs. 13,31,283/- remaining unspent as on 31 March 2022, pertaining to ongoing project “Chhatrapati Shivaji Maharaj Vastu Sangrahalaya”, without depositing the fund into Unspent Corporate Social Responsibility Account before 30 April 2022.
3. The Company has not submitted Form CHG 1 dated 22 August 2021 for availment of Overdraft facility of Rs. 15 Crores against Fixed Deposits from Yes Bank Limited.

V) I further report that;

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the year under report.

(ii) Adequate notice is given to all directors to schedule the Board meetings; agenda and detailed notes on agenda were sent at least (7) seven days in advance. Consent of all the Directors has been obtained in cases where notice, agenda and detailed notes on agenda were sent at a shorter notice. 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.

(iii) Based on inspection of the minutes of the Board of Directors and it's Committees, there were no dissenting views expressed by any member of the Board of Directors and / or it's Committees in any of the meetings.

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

VII) I further report that during the audit period, there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Part B

This forms part of my Secretarial Audit Report

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

Place: Pune

Date: 11/06/2022

Sd/-
Avanti Rajwade
Company Secretary
ACS No: 30219
C P No: 20728
UDIN : A030219D000484684

INDEPENDENT AUDITOR'S REPORT

To the Members of P. N. Gadgil & Sons Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of P. N. Gadgil & Sons Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit including other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit of the Ind AS 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 Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements 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.

- Allowance for credit losses
- Existence and Valuation of Inventories

The Company considered current and anticipated future economic conditions relating to industries the Company deals with to estimate the probability of default in the future and has taken into account estimates of possible effects from the pandemic relating to COVID-19

Key audit matters	How our audit addressed the key audit
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Existence and valuation of Inventories

The Company’s Inventories mainly comprised of gold, diamond, silver and platinum in the distribution centers, retail outlets and stock lying with third party. Valuation of Inventories is at lower of cost and net realizable value. Significant portion of Inventories costs includes gold, diamonds, platinum and silver which are subject to risk of changes in the market value. The assessment of net realizable value of Inventories is based on estimates and judgements by the management in respect of, among others, the economic condition, sales forecast, marketability of products and the quality of gold and diamonds used to make jewellery products. Furthermore, there is higher inherent risk of theft and pilferage given the high intrinsic value and portable nature of individual inventory items.

Considering the above, we concluded that existence and valuation of inventories as a key audit matter for our audit.

Our audit procedures over existence and valuation of Inventories included the following:

We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls that the Company has in relation to Inventories process, in particular, We:

Attended on a sample basis daily cycle physical counts at distribution centers and selected retail outlets. We observed the daily count procedures performed in retail outlets and distribution centers;

In respect of samples tested for physical verification by management we inspected the respective daily cycle physical count reports for reconciliation of daily ending Inventories to the record in the Inventories systems.

We have observed periodic Inventories counts and performed “two way” sample count procedures for distribution centers and selected retail outlets of the Company. We compared our sample count results with the counts performed by the Company and the records in the Inventories system.

We compared the net realizable values on sample basis of gold, silver and platinum Inventories calculated based on the current market price with their carrying value of Inventories.

Principal Audit Procedures adopted for Allowance for credit losses

We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.

Management’s Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

- a. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 33 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
 - i. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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; and

ii. No funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, 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.

iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

e. The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Sd/-

Ramesh Pipalawa

Partner

Membership Number: 103840

Place of Signature: Mumbai

Date: 11/06/2022

UDIN: 22103840ALBNOK6974

Annexure A referred to in paragraph 1 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

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 P. N. Gadgil & Sons Limited (“the Company”) as of 31 March, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for 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 the Institute of Chartered Accountants of India 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 were 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 controls 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 Ind AS 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Sd/-

Ramesh Pipalawa

Partner

Membership Number: 103840

Place of Signature: Mumbai

Date: 11/06/2022

UDIN: 22103840ALBNOK6974

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 OF P. N. GADGIL AND SONS LTD.

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of subsection 11 of section 143 of Companies Act, 2013 ("the Act")

- i.
 - (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 maintained proper records showing full particulars of intangible assets.
 - (b) All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given to us, based on the examination of the registered sale deeds/ transfer deeds/ conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of erstwhile partnership firm which got converted into the company on 6th November 2017 by way of operation of law under Section 366, Part, XXI of the Companies Act 2013. Title deeds of immovable properties purchased/acquired post 6th November 2017 are held in the name of the company. According to explanation from the management, all properties are deemed to be transferred/vested to the company from erstwhile firm by operation of law u/s 366 of the Co Act 2013. In respect of immovable properties of buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
 - (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment or any intangible assets during the period.
 - (e) According to the information and explanations given to us, the Company has no ongoing proceedings or any pending proceedings under the Benami Transactions (Prohibition) Act, 1988
- ii.
 - (a) The physical verification of inventory has been conducted at reasonable intervals by the management and, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

- (b) The Company has been sanctioned working Capital limit in excess of five crore rupees rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has during the year not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. In respect of deposits accepted by the company or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been duly complied.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Income Tax, and Service Tax, Goods and Services Tax and other statutory dues.
- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Authority where dispute is pending	Remarks, if any
Income Tax act, 1961	Income Tax	8.10*	AY 2018-19	Commissioner of Income Tax (Appeals)	-

*net of amount deposited under protest.

- viii. According to the records of the Company, the Company has no transactions in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.
- (e) The Company does not have any subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) applied other than purposes for which those were raised.
- (b) The company has not made any private placement of shares during the year thus the requirements of section 42 and section 62 of the Companies Act, 2013 are not complied.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees during the course of our audit.
- (b) No report under sub section (12) of section 143 of the Companies Act has been filed by us the auditors in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) We have not received any whistle blower complaints during the year by the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with provisions of section 177 and section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

- xiv. (a) According to the information and explanations given by the management, the Company has an internal audit system corresponding with the size and nature of its business.
- (b) We have considered the reports of Internal Auditors for the year under audit ending March 31, 2022.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 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 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
- xvii. According to the records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the Statutory Auditors during the year and accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to 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, our knowledge of the Board of Directors and management plans, We are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

- xx. According to the information and explanations given to us and based on our examination of the records of the Company,
- (a) In respect of ongoing projects, the Company does not have any unspent amount to be transferred to special as specified, in compliance with the section 135 of the said Act and Rules thereof,
 - (b) And in respect of other than ongoing projects, the Company out of shortfall of 1.33 Millions company has spent 0.5millions during April 2022.
- xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Sd/-
Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Mumbai
Date: 11/06/2022
UDIN :22103840ALBNOK6974

P. N. Gadgil & Sons Limited
Statement of Assets and Liabilities
(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non current assets			
Property, plant and equipment	3	694.29	688.15
Capital work-in-progress	4	-	40.07
Right-of-use assets	6	83.25	159.53
Intangible assets	5a.	6.79	7.58
Intangible assets under development	5b.	0.13	-
Financial Assets			
- Investments	7	159.94	91.96
- Other financial assets	7	52.39	152.19
Deferred tax assets (Net)	20	15.70	13.31
Total non-current assets		1,012.49	1,152.79
Current assets			
Inventories	8	9,274.48	6,787.41
Financial Assets			
- Trade receivables	9	329.19	30.49
- Cash and cash equivalents	10	131.36	211.16
- Other bank balances	11	296.58	862.18
- Other financial assets	7	1,303.34	1,206.26
Income-tax assets (Net)	12	17.77	31.72
Other current assets	13	232.25	182.05
Total current assets		11,584.97	9,311.27
TOTAL ASSETS		12,597.46	10,464.06
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	337.71	337.71
Other equity			
Reserves and surplus	15	3,184.02	2,298.67
Other reserves	15	1,190.54	1,034.02
Total equity		4,712.27	3,670.40
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	16	39.27	96.47
- Borrowings	17	929.02	137.40
Employee benefit obligations	19	57.70	57.99
Deferred tax liabilities (net)			-
Total non-current liabilities		1,025.99	291.86
Current liabilities			
Financial liabilities			
- Lease liabilities	16	60.41	83.10
- Borrowings	17	2,766.38	3,263.76
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	153.21	18.86
Total outstanding dues of creditors other than micro and small enterprises	21	306.96	185.25
- Other financial liabilities	18	1,699.28	1,186.39
Employee benefit obligations	19	2.17	3.26
Income-tax liabilities (net)	22	24.37	17.80
Other liabilities	23	1,846.42	1,743.37
Total current liabilities		6,859.20	6,501.80
TOTAL LIABILITIES		7,885.19	6,793.66
TOTAL EQUITY & LIABILITIES		12,597.46	10,464.06

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Sd/-
Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Mumbai
Date: 11/06/2022
UDIN : 22103840ALBNOK6974

Sd/-
Govind Gadgil
Chairman and
Whole Time Director
DIN: 00616617
Place: Pune
Date : 11/06/2022

Sd/-
Amit Modak
Whole Time Director &
Chief Executive Officer
DIN: 00396631
Place: Pune
Date : 11/06/2022

Sd/-
Aditya Modak
Chief Finance Officer
Place: Pune
Date : 11/06/2022

Sd/-
Apurva Joshi
Company Secretary
Membership No:
ACS32972
Place: Pune
Date : 11/06/2022

P. N. Gadgil & Sons Limited

Statement of Profit and Loss

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	24	56,499.43	21,597.55
Other income	25	79.18	72.61
Total income		56,578.61	21,670.17
Expenses			
Cost of goods sold	27	22,154.47	18,584.93
Purchases of Bullion (Stock in trade)	26	31,537.31	-
Employee benefit expense	28	549.54	518.94
Finance costs	29	305.55	278.23
Depreciation and amortisation expense	30	155.44	154.43
Other expenses	31	483.20	319.81
Total expenses		55,185.51	19,856.34
Profit before tax		1,393.10	1,813.83
Income tax expense			
Current tax	20	370.62	461.51
Deferred tax	20	(5.03)	(4.54)
Total tax expense		365.59	456.97
Profit for the year [A]		1,027.51	1,356.86
Other comprehensive income (OCI)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement gain / (loss) on defined benefit plans		10.48	(18.05)
Income tax relating to these items		(2.64)	4.54
Total other comprehensive income for the year		7.84	(13.51)
Total Income, net of tax		1,035.35	1,343.35
Earnings per equity share : Basic and Diluted EPS (Face value of equity shares : INR 10 per share)	32	30.66	39.78

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah & Taparia

Chartered Accountants

Firm Registration No: 109463W

For and on behalf of the Board of Directors of

P. N. Gadgil & Sons Limited

CIN: U36911PN2017PLC173262

Sd/-
Ramesh Pipalawa
Partner

Membership No.: 103840
Place: Mumbai
Date : 11/06/2022
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Amit Modak
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Place: Pune
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Aditya Modak
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Sd/-
Apurva Joshi
Company Secretary
Membership No:
ACS32972
Place: Pune
Date : 11/06/2022

P. N. Gadgil & Sons Limited

Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flows from Operating Activities			
Profit before tax from continuing operations		1,393.10	1,813.83
Profit before tax		1,393.10	1,813.83
Adjusted for:			
Depreciation on property, plant and equipment	30	75.39	77.87
Amortization on intangible assets	30	1.20	1.16
Other Comprehensive Income		10.48	(18.05)
Amortization on Right to use Lease Asset	30	78.85	75.39
Interest income	25	(69.03)	(62.80)
Finance cost	29	292.04	259.57
Lease Interest	29	13.50	18.49
Loss on sale of assets	31	0.78	0.11
Lease Rent Payment	16	(95.96)	(90.82)
Share based payments to employees	35	-	(9.38)
IPO Expense reversed		-	-
Profit on sale/Revaluation of Investment	25	(2.96)	(1.18)
Asset written off	31	0.77	-
Operating profit before working capital changes		1,698.15	2,064.19
Working capital adjustments :			
Increase/(Decrease) in trade payables		256.06	(71.44)
Increase/(Decrease) in provisions		(1.38)	24.72
Increase/(Decrease) in other current liabilities		103.04	106.67
(Increase)/Decrease in inventory		(2,487.08)	(1,070.04)
(Increase)/Decrease in trade receivables		(298.70)	(17.73)
(Increase)/Decrease in other financial assets		(72.56)	(9.25)
(Increase)/Decrease in other assets		(36.25)	(110.56)
		(2,536.86)	(1,147.62)
Income tax paid		366.24	450.94
Net cash flows from / (used in) operating activities (A)		(1,204.95)	465.62

P. N. Gadgil & Sons Limited
Cash Flow Statement

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
B. Cash Flows from Investing Activities			
Purchase of property, plant and equipment	3	(44.72)	(42.62)
Proceeds from sale of property, plant and equipment	3	1.17	0.11
Purchase of investment	7	(65.01)	(83.26)
Sale of investment	7	-	-
Sale of Investment Property	7	-	-
Investment in Fixed Deposit	7	75.29	(234.89)
Changes in other bank balances		565.59	(858.64)
Interest income	25	77.74	64.90
Net cash flow from/(used in) investing activities (B)		610.06	(1,154.41)
C. Cash Flows from Financing Activities			
Disbursement / (repayment) of borrowings			
Non-current borrowings	17	791.62	48.45
Current borrowings	17	(497.38)	(214.39)
Other financial liabilities	18	512.89	1,186.39
Finance costs	29	(292.04)	(259.57)
Dividends (including dividend distribution tax)		0	-
Net cash flow from / (used in) financing activities (C)		515.08	760.87
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(79.82)	72.09
Cash and cash equivalents at the beginning of the year		211.16	139.07
Cash and cash equivalents in the statement of cash flows		131.34	211.16
Components of cash and cash equivalents			
Cash on hand	10	6.72	33.98
Cheques on hand	10	0.01	3.05
Balance with Banks			
- on current account	10	124.63	174.13
Total cash and cash equivalents		131.36	211.16

Notes

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.
- Figures in bracket represent outflow of cash and cash equivalents.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Sd/-
Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Mumbai
Date : 11/06/2022
UDIN : 22103840ALBNOK6974

Sd/-
Govind Gadgil
Chairman and
Whole Time Director
DIN: 00616617 Place:
Pune
Date : 11/06/2022

Sd/-
Amit Modak
Whole-time Director
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DIN: 00396631
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Sd/-
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Sd/-
Apurva Joshi
Company Secretary
Membership No:
ACS32972
Place: Pune
Date : 11/06/2022

A. Equity share capital
Equity shares of Rs.10 each issued, subscribed and fully paid up

Particulars	Total
As at March 31, 2021	337.71
Change in equity share capital	-
As at March 31, 2022	337.71

B. Other equity

Particulars	Reserves and surplus				Total other equity
	Retained earnings	General Reserve	Securities Premium	Inventory Price Risk Reserve	
As at April 1, 2021	2,298.67	125.00	628.78	280.24	3,332.69
Profit for the year	1,393.10				1,393.10
Interest Income on the Investment				8.71	8.71
Tax impact on Interest Income on Investment				(2.19)	(2.19)
Other comprehensive income	7.84				7.84
Transfer to Inventory Price Risk Reserve	(113.82)	-	-	113.82	-
Transfer to General Reserve	-	-	-	-	-
Total	1,287.12	-	-	120.33	1,407.46
As at March 31, 2022	3,585.79	125.00	628.78	400.57	4,740.15
As at April 1, 2020	1,157.07	100.00	628.78	101.92	1,987.78
Profit for the year	1,356.86				1,356.86
Interest Income on the Investment				2.10	2.10
Tax impact on Interest Income on Investment				(0.53)	(0.53)
Other comprehensive income	(13.51)				(13.51)
Transfer to Inventory Price Risk Reserve	(176.75)			176.75	-
Transfer to General Reserve	(25.00)	25.00			-
Total	1,141.60	25.00	-	178.32	1,344.92
As at March 31, 2021	2,298.67	125.00	628.78	280.24	3,332.69

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Sd/-
Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Mumbai
Date : 11/06/2022
UDIN :22103840ALBNO6974

Sd/-
Govind Gadgil
Chairman and
Whole Time Director
DIN: 00616617
Place: Pune
Date : 11/06/2022

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DIN: 00396631
Place: Pune
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Chief Finance Officer
Place: Pune
Date : 11/06/2022

Sd/-
Apurva Joshi
Company Secretary
Membership No: ACS32972
Place: Pune
Date : 11/06/2022

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amounts are in Rupees millions, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
Opening gross carrying amount as on April 1, 2021	109.05	271.90	437.86	157.98	90.56	32.00	35.29	1,134.63
Additions	-	47.35	20.24	7.30	4.76	2.28	2.33	84.25
Disposals	-	-	1.02	3.05	1.69	0.94	2.19	8.89
Gross carrying amount as on March 31, 2022	109.05	319.25	457.07	162.23	93.63	33.34	35.43	1,209.99
Accumulated depreciation till April 1, 2021	-	20.73	210.35	124.08	45.96	28.99	16.37	446.48
Charge for the period	0.00	4.79	42.60	14.31	8.66	1.10	3.94	75.39
Accumulated Depreciation on Disposals	-	-	0.69	2.85	1.11	0.89	0.63	6.17
Closing accumulated depreciation as at March 31, 2022	0.00	25.52	252.26	135.54	53.50	29.20	19.69	515.70
Net carrying amount as on March 31, 2022	109.05	293.73	204.81	26.69	40.13	4.14	15.74	694.29
				-7.1723				

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Office Equipments	Electrical Installations	Computers	Vehicles	Total
Opening gross carrying amount as on April 1, 2020	109.05	271.88	437.93	157.63	90.56	31.74	34.66	1,133.42
Additions	-	0.02	0.11	1.53	-	0.26	0.64	2.55
Disposals	-	-	0.18	1.17	-	-	-	1.35
Gross carrying amount as on March 31, 2021	109.05	271.90	437.86	157.98	90.56	32.00	35.29	1,134.63
Accumulated depreciation till April 1, 2020	-	16.43	168.89	108.39	37.45	26.22	12.36	369.74
Charge for the period	-	4.30	41.60	16.67	8.51	2.77	4.01	77.87
Accumulated Depreciation on Disposals	-	-	0.15	0.98	-	-	-	1.13
Closing accumulated depreciation as at March 31, 2021	-	20.73	210.35	124.08	45.96	28.99	16.37	446.48
Net carrying amount as on March 31, 2021	109.05	251.16	227.51	33.91	44.60	3.01	18.92	688.15

4 Capital Work in Progress

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2021	40.07
Additions	-
Transfer to property, plant and equipment	40.07
Gross carrying amount as on March 31, 2022	-

Particulars	Capital work-in-progress
Opening gross carrying amount as on April 1, 2020	-
Additions	40.07
Transfer to property, plant and equipment	-
Gross carrying amount as on March 31, 2021	40.07

*Capital work in progress mainly comprise of Computers, Furniture & Fixture, Electrical Installation, Office Equipment.

CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress for 2021-22	-	-	-	-	-
Projects in progress for 2020-21	40.07	-	-	-	40.07

5a. INTANGIBLE ASSETS

Particulars	Computer Software
Opening gross carrying amount as on April 1, 2021	12.26
Additions during the period	0.42
Disposals during the period	-
Gross carrying amount as on April 1, 2021	12.68
Accumulated Amortisation	
Balance as at April 1, 2021	4.68
Amortisation charge for the period	1.20
Accumulated amortisation on disposals during the period	-
Closing accumulated depreciation as at March 31, 2022	5.88
Net carrying value as on March 31, 2022	6.79

Particulars	Computer Software
Opening gross carrying amount as on April 1, 2020	12.26
Additions during the period	-
Disposals during the period	-
Gross carrying amount as on March 31, 2021	12.26
Accumulated Amortisation	
Balance as at April 1, 2020	3.52
Amortisation charge for the period	1.16
Accumulated amortisation on disposals during the period	-
Closing accumulated depreciation as at March 31, 2021	4.68
Net carrying value as on March 31, 2021	7.58

5b. Intangible assets under development

Particulars	Intangible assets under development
Opening gross carrying amount as on April 1, 2021	-
Additions	0.13
Gross carrying amount as on March 31, 2022	0.13
Opening gross carrying amount as on April 1, 2020	-
Additions	-
Gross carrying amount as on March 31, 2021	-

Intangible assets under development ageing schedule

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress for 2021-22	-	0.13	-	-	0.13
Projects in progress for 2020-21	-	-	-	-	-

6 RIGHT TO USE LEASE ASSET

Particulars	As at March 31, 2022	As at March 31, 2021
Opening for the period	159.53	233.14
Changes due to estimation	(1.10)	(16.40)
Additions	3.67	18.18
Amortisation	(78.85)	(75.39)
Closing for the period	83.25	159.53

7 FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
i) Investments		
Investments in equity instruments - unquoted (at fair value through profit or loss)		
The Shamrao Vitthal Co-operative Bank (100 Equity shares of Rs.25 each, fully paid up)	0.00	0.00*
The Vishweshwar Sahakari Bank (100 Equity shares of Rs.50 each, fully paid up)	0.01	0.01
Investments in preference shares - unquoted (at fair value through profit or loss)		
The Shamrao Vitthal Co-operative Bank (7,50,500 Preference shares of Rs.10 each, fully paid up)	7.51	7.51
Investment in Mutual Funds - quoted (at fair value through profit or loss)		
- Baroda Liquid Fund-collection A/c	52.94	51.14
- LIC MF Liquid Fund	34.47	33.31
- Investment In Liquid Bees	65.01	-
Aggregate value of investments	159.94	91.96
Aggregate cost of unquoted investments	7.52	7.51
Aggregate cost of quoted investments	152.42	84.45
Aggregate amount of impairment in value of investments	-	-
ii) Other financial assets		
Non - current		
Fixed Deposits with maturity of more than 12 months at balance sheet date	18.50	104.50
- Accrued interest	0.92	0.38
Security deposits		
- to others	29.31	28.69
- to related parties (Refer Note 38)	3.66	18.63
Total non-current other financial assets	52.39	152.19
Current		
Margin money deposit	123.35	59.42
Security deposits	21.38	3.85
Other receivables	1.44	1.13
Fixed Deposits with maturity of less than 12 months at balance sheet date	943.51	1,102.80
Fixed Deposits against Inventory Price Risk Reserve (maturity of less than 12 months at balance sheet date)	200.00	30.00
- Accrued interest	13.66	9.05
Total current other financial assets	1,303.34	1,206.26
Total Other Financial Assets	1,355.72	1,358.45

8 INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	-	-
Finished goods*	8,864.71	6,787.41
Stock-in-trade	400.77	-
Packing material	9.00	-
Total Inventories	9,274.48	6,787.41

*valued at lower of cost and net realisable value

** Inventories are charged as security for borrowings (Refer Footnote to Note no 17)

9 TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables*		
- Unsecured, considered good**	329.19	30.49
- Significant increase in credit risk	13.02	11.18
Less: Allowance for doubtful debts	(13.02)	(11.18)
Total Trade Receivables	329.19	30.49

*No material trade receivables are due from directors or other officers of the company, either severally or jointly with any other person.

**Includes receivable from credit card companies.

(Refer note 46 for Ageing schedule of Trade Receivables)

10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- on current accounts	124.63	174.13
Cheques on hand	0.01	3.05
Cash in hand	6.72	33.98
Total Cash and Cash Equivalents	131.36	211.16

11 OTHER BANK BALANCES

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits with original maturity of more than 3 months but less than 12 months*	295.94	857.97
- Accrued interest	0.64	4.20
Total Other Bank Balances	296.58	862.18

*on lien with the bank

12 INCOME TAX ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund	15.67	29.62
Income Tax appeal refund	2.10	2.10
Total income tax assets	17.77	31.72

13 OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to creditors	182.98	34.35
Prepaid expenses		
- on security deposit	5.96	9.81
- on others	11.85	10.71
Balance receivable from statutory authorities	31.44	69.56
Derivative Assets(GML)	-	57.61
Total Other current assets	232.25	182.05

14 SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
EQUITY SHARE CAPITAL		
Authorized share capital 6,00,00,000 (March 31, 2021: 6,00,00,000) Equity shares of Rs 10 each	600.00	600.00
Issued, subscribed and fully paid up 3,37,70,599 (March 31, 2021: 3,37,70,599) Equity shares of Rs 10 each	337.71	337.71
a. Reconciliation of number of shares		
Authorized share capital		
Opening balance	600.00	600.00
Total	600.00	600.00
Issued, subscribed and fully paid up		
Opening balance	337.71	337.71
Add: Bonus shares issued	-	-
Total	337.71	337.71

b. Terms and rights attached to equity shares

The company has only one class of equity shares having face value of Rs.10 per share . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% share in the Company (No. of shares)

Particulars	As at March 31, 2022	As at March 31, 2021
Govind Gadgil	1,85,31,856	1,85,31,856
Renu Gadgil	1,52,07,342	1,51,97,340

d. Disclosure of Shareholding of Promoters

Particulars	As at March 31, 2022	As at March 31, 2021
Govind Gadgil	54.88%	54.88%
Renu Gadgil	45.03%	45.00%

% Change during the year

Particulars	As at March 31, 2022
Govind Gadgil	0.00%
Renu Gadgil	0.03%

(Minority Shareholding as on Balance Sheet Date is 0.09%.)

15 OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
i. Retained earnings		
Opening balance	2,298.67	1,157.07
Profit for the year	1,027.51	1,356.86
Other Comprehensive Income	7.84	(13.51)
Less :		
Transfer to Inventory Price Risk Reserve	125.00	176.75
Transfer to General Reserve	25.00	25.00
Total	3,184.02	2,298.67
ii. Other Reserves		
General Reserve		
Opening balance	125.00	100.00
Transfer during the year	25.00	25.00
Total	150.00	125.00

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium		
Opening balance	628.78	628.78
Amount utilised for bonus issue	-	-
Share issue expenses	-	-
Total	628.78	628.78
Inventory Price Risk Reserve		
Opening balance	280.24	101.92
Transfer during the year	125.00	176.75
Income on the investment	8.71	2.10
Tax effect on interest income	(2.19)	(0.53)
Total	411.76	280.24
Share Options Outstanding Account		
Opening balance	-	9.38
Share based payments to employees (Refer Note 35)	-	(9.38)
Total	-	-
Total Other Equity	4,374.56	3,332.69

Inventory Price Risk Reserve

A reserve to the extent of 5.14% of the Company's inventory value will be created in tranches upto March 31, 2022, to protect the Company from fluctuations in gold, silver and precious metal prices being purchased by the Company. Such reserve balance will be invested in liquid financial assets by the end of nine months from each balance sheet date. Returns from investments in such financial assets would be easily liquidated to be used in times when fluctuation in commodity prices is abnormal and would affect the normal working capital position of the Company. In the current financial period, the Company has transferred Rs.12.5 crores to such reserve.

16 LEASE LIABILITY

Particulars	As at March 31, 2022	As at March 31, 2021
FINANCIAL LIABILITIES		
NON CURRENT		
Opening Lease Liability	179.57	250.12
Change in estimation	1.33	16.40
Add : Addition to lease liability during the period	3.67	18.18
Add : Interest Expense	13.73	18.49
Less : Lease Rent Paid	95.96	90.82
Total Non Current Lease Liability	99.68	179.57
Current Maturities of lease Liability	(60.41)	(83.10)
Net Non Current Lease Liability	39.27	96.47

17 BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
FINANCIAL LIABILITIES		
NON CURRENT		
At amortised cost		
Secured		
- term loans from banks	836.77	-
Unsecured		
- Fixed deposits from others	92.25	137.40
Total Non Current Borrowings	929.02	137.40
CURRENT		
Other Loans		
Secured		
- demand loans from banks	2,407.23	2,974.25
- cash credit from banks	116.79	58.35
Unsecured		
- from others	8.74	8.74
- from promoters	156.07	221.07
-from banks	-	-
-fixed deposit from others*	77.55	1.35
Total Current Borrowings	2,766.38	3,263.76

*Fixed Deposits taken from others for Rs. 77.55 million will mature within 12 months.

*Against this Liability, Company has created fixed deposit for Rs 1.60 millions as Deposit Repayment Reserve

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Gold Metal Loan	1,699.28	1,186.39
Total Other financial liabilities	1,699.28	1,186.39

SECURED LOANS

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2022	Rate of Interest (%)		Repayment Terms As at March 31, 2022	Security Provided
				As at March 31, 2022	As at March 31, 2021		
1	The Federal Bank Limited	Working Capital Demand Loan	100.00	6.5% (repo rate + 2.5% subject to maximum upto 9.5% p.a.)		48 Equated monthly installments after end of 12 months moratorium i.e. after 29.06.2022	1.First Pari passu charge on current assets (gold stock) present and future will be provided. 2.Exclusive Charge on entire POS receivables.
2	The Federal Bank Limited	Overdraft	(0.70)	As mutually agreed at the time of drawdown (Presently 7.50%)	As mutually agreed at present 7.95%	Lumpsum	Exclusive Charge on entire POS receivables. Personal guarantee: 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
4	The Federal Bank Limited	Working Capital Demand Loan	352.05	As mutually agreed at the time of drawdown (Presently 7.00%)	As mutually agreed at the time of drawdown (7.25%)	Lumpsum	Primary Security: 1.First Pari Passu charge on current assets (Gold stock) both present and future. Personal guarantee: 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
5	The Federal Bank Limited	Working Capital Term Loan	155.50	6.5% (repo rate + 2.5% subject to maximum upto 9.25% p.a.)		48 Equated Monthly Installments (EMIs) after end of 24 Months moratorium i.e. after Dec 2023	Second charge on all primary and collateral securities available for the existing facilities with Federal Bank Ltd.
6	Bank of Baroda	Cash Credit	76.44	0.05% over MCLR (Presently 8.60%)	1% over MCLR+ Strategic Risk Premium	Subject to annual renewal	Primary Security: 1. First pari passu charge on gold and diamond inventory and book debts, both present and future. Collateral Security: 1. Charge on First floor of shop at Satara Road, Pune.
7	The Shramo Vithal Co-operative Bank	Cash Credit	40.10	8.50% p.a. (i.e. PLR**+9.55% p.a.)	7.5% p.a. (for 90 days) and 7.75% p.a. (for 180 days)	To be renewed in August 2022	Primary Security: 1. Hypothecation of gold and diamond stock (Pari Passu charge) Collateral Security: 1. Residential bungalow of Mr. Govind Gadgil situated at 576, Shanwar Peth, Pune 2. Shops at Vadodara Personal guarantee: 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
8	Bank Of India	Overdraft	(2.58)	1.0 Basis points above the Interest rate of Fixed Deposits	1.0 Basis points above the Interest rate of Fixed Deposits	On FD Maturity or subject to FD Renewal	FD with Bank of India for Rs.60,00,000
9	HDFC Bank Ltd.	Term loan	220.00	Current Rate is 6.05%. Rate is floating RBI Repo Rate + 2%	Current Rate is 6.05%. Rate is floating RBI Repo Rate + 2%	12 months principal moratorium. 36 Monthly Installments after moratorium (i.e. After Feb 22)	Extension of second ranking charge over existing primary and collateral securities and gold & diamond stock.
10	HDFC Bank Ltd.	Working Capital Demand Loan	600.00	6.5% to 7%	7.00%	Repayable within maximum 180 days	Primary Security: 1. First pari passu charge on gold inventory (Both Present and Future) Secondary Security: 1. Exclusive charge on commercial property located at Madra.ground Floor of shop at Satara Road, Pune Personal guarantee: 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
11	Shramo Vithal Co-op Bank	Overdraft	114.92	50 basis points above interest rate of fixed deposit	50 basis points above interest rate of fixed deposit	On FD Maturity or subject to FD Renewal	Primary Security: 1. Fixed deposit given by promoters of Rs. 28,00,00,000
12	Yes Bank	Working Capital Demand Loan	500.00	6.75%	6.75%	Repayment on Demand	First pari passu charge by the way of Hypothecation on Stock in Trade (Stock of Gold and Diamond). Personal Guarantee: Mr. Govind Gadgil
13	Yes Bank	Overdraft	142.04	6.50%		Rolled over every 12 months	100% Fixed Deposits of yes bank
14	HDFC Bank Ltd.	Working capital term loan	110.00	6.50%		24 months principal moratorium. 72 monthly installments after moratorium (principal repayment), interest to be serviced on monthly basis	This facility is covered by 100% guarantee from National Credit Guarantee Trustee Company Limited (NCGTC) and Extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the bank
15	Shramo Vithal Co-op Bank	Working capital term loan	251.27	6.60%		6 years from the date of 1st disbursement including moratorium period of 2 years , thereafter 48 EMIs of 59.4 lacs , interest to be paid during moratorium period as and when debited.	100% guarantee coverage from National Credit Guarantee Trustee Company Limited (NCGTC) on the outstanding amount for the credit facility provided under the scheme as on the date of NPA or on the date of lodgement of claim whichever is lower, and 2nd charge on current assets and negative lien on properties situated at shanwar peth, pune and shops at vadodara.
16	Shramo Vithal Co-op Bank	Working Capital Loan	701.49	7.25%		Renewal due in August 2022	Primary security: Hypothecation of Gold and Diamond stock Collateral security: Self occupied bungalow of Mr. Govind gadgil and Vadodara showroom Personal Guarantee: 1) Mr Govind Gadgil 2) Mrs. Renu Gadgil

*MCLR - Marginal Cost of funds based Lending Rate
**PLR - Prime Lending Rate
***bps - Basis Points

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the period ended 31st March 2022
Footnote to Note 17 "Borrowings"
(All amounts are in Rupees millions, unless otherwise stated)

UNSECURED LOANS

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at 31/03/22	Rate of Interest (%)		Repayment Terms As at 31/03/22	Security Provided
				As at 31/3/22	As at 31/3/21		
1	Unsecured Loans	From Promoters	25.00	5.50%	7.00%	Repayable on demand	Not Applicable
2	Unsecured Loans	From Promoters	80.00	5.50%	7.00%	Repayable on demand	Not Applicable
3	Unsecured Loans	From Promoters	30.71	8.00%	8.00%	Repayable on demand	Not Applicable
4	Unsecured Loans	From Promoters	20.36	8.00%	8.00%	Repayable on demand	Not Applicable
5	Unsecured Loans	From others	8.74	NA	NA	Repayable on demand	Not Applicable
6	Fixed Deposit Accepted	From Public	52.25	7.00%	7.00%	Within 36 months	Not Applicable
7	Fixed Deposit Accepted	From Public	17.90	7.50%	7.50%	Within 36 months	Not Applicable
8	Fixed Deposit Accepted	From Public	50.80	8.00%	8.00%	Within 36 months	Not Applicable
9	Fixed Deposit Accepted	From Public	48.85	8.50%	8.50%	Within 36 months	Not Applicable
10	Fixed Deposit Accepted	From Public	-	5.50%	5.50%	Within 6 months	Not Applicable

Note : Promoters are eligible for 5.5% interest on loan taken by company from them, subject to utilization of that amount by company for more than 7 da

Gold Metal Loan

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31,2022	Rate of Interest (%)		Repayment Terms As at Mar 31,2022	Security Provided
				As at March 31,2022	As at March 31,2021		
1	HDFC Bank Ltd.	Gold Metal Loan	965.76	As may be mutually decided at time of disbursement	As may be mutually decided at time of disbursement	On demand in INR only. Bank will not take metal as a form of repayment.	Primary Security: 1. Fixed Deposits -100% backed by Fixed Deposits and partly by 2. First pari passu charge on gold inventory(Both Present and Future) Secondary Security : 1. Exclusive charge on commercial shop located at Mudra, Satara Road, Pune Personal guarantee 1. Mr. Govind Gadgil
2	ICICI Bank	Gold Metal Loan	264.90	Interest shall be stipulated for each drawal at the time of drawdown on notional value of gold, linked to international gold lease rate.	Interest shall be stipulated for each drawal at the time of drawdown on notional value of gold, linked to international gold lease rate.	Repayment on the maturity date at the rate fixed	Primary Security: 1. Partly by Fixed deposits and 2. Partly by SBLC (Standby Letter of Credit) from Bank of Baroda.
3	The Federal Bank Limited	Gold Metal Loan	468.62	As mutually Agreed at the time of drawdown	As mutually Agreed at the time of drawdown	Lumpsum	Collateral : Cash margin (including lien on fixed deposits) for 106.5% of notional cost of gold plus 100% of applicable charges like CIP premium, customs duty, GST and other local taxes /charges applicable or bank guarantee/ SBLC - BG/ SBLC of all scheduled commercial banks, in respect of whom bank has assumed exposure limit for 110% of notional cost of Gold plus 100% charges like CIP premium,customs duty, GST, any other local taxes/charges etc.

19 PROVISION FOR EMPLOYEE BENEFITS

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
- Gratuity payable	57.70	57.99
Total Long Term Provisions	57.70	57.99
Current		
- Gratuity payable	2.17	3.26
Total Short Term Provisions	2.17	3.26

20 DEFERRED TAX (NET)

(a) Income tax expense

Particulars	As at March 31, 2022	As at March 31, 2021
In Statement of Profit and Loss :		
Current income tax:		
Current income tax charge	370.62	462.04
Deferred tax:		
Relating to origination and reversal of temporary differences	(5.03)	(9.08)
Income tax expense reported in the Statement of Profit and Loss	365.59	452.96
In Other Comprehensive Income (OCI) :		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on actuarial gains and losses	(2.64)	4.54
Income tax charged to OCI	(2.64)	4.54
In Equity :		
Current income tax:		
Realtg to income directly credited to inventory price risk reserve	(2.19)	(0.53)
Income Tax expense on item directly credited to equity	(2.19)	(0.53)

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Net Deferred tax (Asset) / Liability:		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	5.86	8.20
Deferred Tax Liability	5.86	8.20
Gratuity	15.07	15.42
Previous disallowances allowed on payment basis	3.21	3.28
Provision for doubtful trade receivables	3.28	2.81
Others		
Deferred Tax Asset	21.55	21.51
Deferred Tax (Asset) / Liability (net)	(15.70)	(13.31)

(c) Reconciliation of deferred tax (net):

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance (Asset) / Liability	(13.31)	(4.22)
Tax (income)/expense during the year recognised in Statement of Profit and Loss	(5.03)	(4.54)
Tax (income)/expense during the year recognised in OCI	2.64	(4.54)
Closing balance (Asset) / Liability	(15.70)	(13.31)

(d) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting Profit before tax from continuing operations	1,393.10	1,813.83
Statutory Tax rate (%)	25.17%	25.17%
Tax at statutory tax rate	350.61	456.50
Adjustment in respect of Capital Gains	(0.75)	(0.30)
Admissible expense on payment basis	(38.84)	(22.99)
Ind As Adjustments	23.22	0.82
Inadmissible as per Income Tax	29.33	22.59
Depreciation impact	3.70	2.72
Provision for Gratuity	3.35	2.17
Other admissible expenses		
Current income tax in respect of previous years		
Preliminary Expenses		
OCI Adjustments	(2.64)	4.54
Expenses available for offsetting against future taxable income	3.28	(2.81)
Relating to originating and reversal of temporary difference	(5.67)	(6.27)
At the effective income tax rate	365.59	456.97

21 TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables*		
Total outstanding dues of micro enterprises and small enterprises	153.21	18.86
Total outstanding creditors other than micro and small enterprises	306.96	185.25
Total Trade Payables	460.18	204.12

* Refer Note 42 on Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.

(Refer note 47 for Ageing schedule of Trade Payables)

22 PROVISION FOR INCOME TAX

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	372.81	462.04
Less : TDS Receivable	(36.81)	(2.38)
Less : TCS Receivable	(21.63)	(6.86)
Less : Advance Tax	(290.00)	(435.00)
Total Provision for Income Tax (net of advance tax)	24.37	17.80

23 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Salary payable	0.65	0.60
Bonus and incentives payable	67.83	84.25
Statutory dues payable	91.38	143.66
Advances from customers		
- against schemes	1,218.32	1,118.99
- others	267.10	291.32
Payable for gift coupons	14.51	14.48
Outstanding expenses	52.86	45.95
Other payables	40.95	44.12
Dervative Loss(GML)	91.50	-
CSR Expenditure Payable	1.33	-
Total Other Current Liabilities	1,846.42	1,743.37

P. N. Gadgil & Sons Limited

Notes to Financial Statements for the year ended March 31, 2022

(All amounts are in Rupees millions, unless otherwise stated)

24 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Ornaments	25,352.50	21,629.27
Sale of Gold bullion	31,217.12	-
Less: Discount	70.20	31.72
Total Revenue From Operations	56,499.43	21,597.55

25 OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
- on deposits with banks	69.00	62.70
- on others	0.03	0.10
- on Security Deposit	4.75	4.52
Other Non Operating Income		
Other Income	2.43	4.11
Profit on Revaluation of Investments	2.96	1.18
Total Other Income	79.18	72.61

26 COST OF GOODS SOLD

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gold Purchases	53,188.92	17,497.94
- for business of jewellery	21,651.60	17,497.94
- for business of trading	31,537.31	-
Silver Purchases	1,080.92	993.56
Diamond Purchases	751.77	420.36
Platinum Purchases	31.27	16.10
Packing Material Purchases	33.72	20.42
Colour Stone Purchases	16.55	14.49
Hedging Mark To Mark Loss / (Gain)	19.17	(15.87)
Making Charges Paid	1,038.03	696.98
Hallmarking charges	14.90	10.08
Other direct expenses	3.62	0.91
Branch Transfer	0.00	(0.00)
Total	56,178.86	19,654.97

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Metal and Making Charges	56,111.07	19,640.34
Hedging Mark To Mark Loss / (Gain)	19.17	(15.87)
Hallmarking charges	14.90	10.08
Packing Material Purchases	33.72	20.42
Total Purchases (including conversion costs)	56,178.86	19,654.97

26 Purchase of Stock-in-Trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Gold Bullion	31,537.31	-
Total	31,537.31	-

27 Cost of Goods Sold

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	6,787.41	5,717.37
Stock in trade	-	-
Finished Goods	6,787.41	5,717.37
Add : Purchases (including conversion costs)	56,178.86	19,654.97
	62,966.27	25,372.33
Less : Inventory at the end of the year	9,274.48	6,787.41
Stock in trade	400.77	-
Finished Goods	8,864.71	6,787.41
Total Cost of goods sold	53,691.79	18,584.93

28 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and bonus	330.11	337.86
Contribution to provident fund and other funds	24.37	23.18
Directors Remuneration	45.20	45.32
Sales Based Incentive to Directors	120.20	95.00
Gratuity expense	13.30	8.61
Leave Encashment	2.09	1.28
Staff welfare expenses	14.26	10.34
Share based payments to employees (Refer Note 35)	-	(2.65)
Total Employee Benefits Expenses	549.54	518.94

29 FINANCE COST

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
- on cash credit	3.55	2.06
- on borrowings	200.81	195.27
- on loan from Promoters	20.84	27.26
- on gold loan	40.82	25.25
- on lease liability	13.50	18.49
- on statutory Payments	13.32	0.17
Others		
- Bank commission charges	12.70	9.72
Total Finance Cost	305.55	278.23

30 DEPRECIATION AND AMORTIZATION

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on tangible assets	75.39	77.87
Amortization on intangible assets	1.20	1.16
Amortization on Right to use Lease Asset	78.85	75.39
Total Depreciation and Amortization	155.44	154.43

31 OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement expenses	148.82	75.06
CSR Expenditure	31.30	6.70
Donations	1.44	0.29
Electricity expenses	32.93	29.80
Directors' sitting fees	0.17	0.22
Legal and professional Fees	17.25	10.50
Rent	3.63	1.47
Repairs and maintenance	85.48	74.92
Security services	17.34	17.81
Sales promotion	9.51	3.86
Travelling and conveyance	8.13	4.78
Rates and taxes	6.18	6.21
Freight and charges	21.81	12.78
Insurance	17.48	9.73
Credit card commission	54.39	43.32
Communication expenses	7.77	8.19
Auditors remuneration (refer the below table)	1.15	1.00
Miscellaneous expenses	12.24	8.34
Amortization of prepaid security deposit	4.65	4.72
Loss on sale of assets	0.78	0.11
Assets Written Off	0.77	-
Total Other Expenses	483.20	319.81

Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor		
Statutory audit fee	1.15	1.00
Tax audit fee	-	-
In other capacity		
Fees for other services	-	-
Total Payment to auditors	1.15	1.00

32 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity shareholders (Rs. in million)	1,035.35	1,343.35
Weighted average number of shares outstanding during the year (Nos.)	33.77	33.77
Basic and Diluted Earning per share (in Rs.)	30.66	39.78
<i>(Nominal Value per share Rs. 10)</i>		

33. Commitments and contingencies

Commitments

The lease rentals charged during the period are as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Lease rentals recognised during the period	95.96	90.82

Maturity Analysis of lease liability:

Particulars	Less than 1 Year	1-3 years	More than 3 years	Total
As at April 1, 2021	83.1	88.27	8.19	179.56
As at March 31, 2022	60.41	38.43	1	99.69

Contingent Liabilities

The Company has a contingent liability of Rs.10.2 millions towards income tax matters pertaining to AY 2018-19 as at March 31, 2022. The Company is contesting the demands and the management, including its tax/legal advisors, believes that its position is likely to be upheld in the appellate process. No expense has been recorded in the financial statements for the above demands raised.

On behalf of the erstwhile partnership firm, the Company is in appeal with the respective government authorities for below mentioned tax proceedings. If the decision turns out against the firm the amount of liability will be debited to Partners' Escrow A/c as demand is related to the years when the partnership firm was in existence and the company will not bear any liabilities.

Tax Proceedings

Income Tax	Amount as at March 31, 2022	Amount as at March 31, 2021
AY 2013-14	1.33	1.33
AY 2017-18	2.32	2.32
AY 2018-19	25.41	25.41
AY 2018-19	0.01	0.01

Value Added Tax (Maharashtra)	Amount as at March 31, 2022	Amount as at March 31, 2021
AY 2014-15	0.55	0.55
AY 2015-16	0.36	0.36

The Company has paid Local Body Tax of Rs.7.531 millions and Rs.4.559 millions towards interest on Local Body Tax against the order received from the Solapur Municipal Corporation LBT Department for Rs 1,20,90,074 including interest and penalty. The Solapur Municipal Corporation has rejected the appeal made by the management. The management has filed the petition with the High Court. The company will not have to pay any additional amount even if the decision of the High Court is against the company, if decision is in the favour of the company the refund will be transferred to the Partners' Escrow A/c as demand is related to the years when the partnership firm was in existence.

Type of Tax	Amount as at March 31, 2022	Amount as at March 31, 2021
Excise Duty	9.71	9.71

The firm was paying central excise duty, wherever applicable, and filing periodical ER-1 returns in terms of the provisions of Rule 12 of the Central Excise Rules, 2002. Department issued notice seeking to conduct EA-2000 audit on the books of account and records of the petitioner for the period April, 2013 to June, 2017 and calling upon them to provide access to premises for carrying out scrutiny, verification and checks as per the provisions of Section 14AA of Central Excise Act, 1944.

During the course of audit, the department alleged that the petitioner had sold articles of jewellery viz. Vedhani Rings (Vedhanis) without payment of central excise duty on which duty of excise was leviable of Rs. 1,94,22,809/-. Based on the above audit report and pre-show cause notice consultation, Show Cause-Cum-Demand Notice was issued for the aforesaid amount.

The Central Government introduced SVS, 2019. The scheme was introduced to bring an end to pending litigation under the erstwhile indirect tax regime. The company (on behalf of firm), filed application under the scheme to bring an end to the proceedings initiated by department. As per the provisions of scheme, company was required to pay excise duty of 60% i.e 97,11,404/- without any interest and penalty. However, the same application was rejected without giving any opportunity.

Being aggrieved and dissatisfied, company had filed Writ-petition against the aforesaid rejection before Bombay High Court.

34 Employee benefit obligations

A. Defined contribution plans :

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contribution. The contribution is charged to Statement of Profit and Loss as it accrues.

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

Particulars	March 31, 2022	March 31, 2021
Contribution to provident fund	17.59	18.19
Contribution to ESIC	1.21	1.13
Total	18.80	19.32

B Defined benefit plan

The group provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

(a) Movements in the present value of the defined obligation are as follows:

Particulars	March 31, 2022	March 31, 2021
Obligation at the beginning of the year	61.25	36.53
Transfer In / (Out)	(0.92)	-
Past Service Cost	-	-
Current service cost	9.28	6.16
Interest expense	4.02	2.45
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Actuarial losses (gains) arising from change in financial assumptions	(2.87)	16.48
Benefits paid	(3.27)	(1.94)
Actuarial losses (gains) arising from experience adjustment	(7.62)	1.57
Liability at the end of the year	59.87	61.25

(c) The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2022	March 31, 2021
Present value of funded obligations	59.87	61.25
Fair value of plan assets	-	-
Deficit of funded plans	59.87	61.25
Unfunded plans	-	-
Deficit of gratuity plan	59.87	61.25

(d) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	March 31, 2022	March 31, 2021
Service cost	9.28	6.16
Net interest (income)/expense	4.02	2.45
Expected return on	-	-
Transfer In/(Out)	-	-
Net actuarial (gain)/loss recognised in the year	-	-
Net gratuity cost	13.30	8.61

(e) Expenses recognized in statement of other comprehensive income:

Remeasurement	March 31, 2022	March 31, 2021
Remeasurement for the year - obligation (Gain)/Loss		
Actuarial (gain) / loss arising from change in financial assumption (Return) / loss on plan assets excluding amounts recognised in interest (income)/expenses	(2.87)	16.48
Actuarial (gain) / loss arising on account of experience changes	(7.62)	1.57
Total Remeasurement Cost/(Credit) for the year recognised in OCI	(10.48)	18.05

(f) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021
Discount Rate	7.25%	6.85%
Rate of growth in compensation level	8.00%	8.00%
Retirement Age	55, 60 & 70 Years	55, 60 & 70 Years

The following payments are expected contribution to the defined benefit plan in future years :

Particulars	March 31, 2022	March 31, 2021
Current Liability	2.17	3.26
Non-Current Liability	57.70	57.99
Total expected	59.87	61.25

(g) The weighted average duration of defined benefit plan obligation:

Particulars	March 31, 2022	March 31, 2021
Weighted average duration of defined benefit plan obligatio	12.1 years	12.37 years

35 Employee Stock Option Plan

Pursuant to the approval of the shareholders of the Company at the Extraordinary General Meeting held on March 30, 2018, the Company approved a Stock Option Scheme for its employees called the PNG Employee Stock Option Plan 2018 ("the Scheme"). Under the said Scheme, the Company was authorized to grant upto 1,200,000 equity shares in one or more tranches and on such terms and conditions, as may be determined by the Board/ Nomination and Remuneration Committee to eligible employees/ directors of the Company.

This Scheme is applicable for all eligible employees/directors of the Company except an independent director or an employee who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through and body corporate, directly or indirectly, holds more than 10% of outstanding equity shares of the company. The vesting period shall not be less than 1 year from the date of grant and shall not exceed beyond 7 years.

The Company has granted 230,000 options on 18th April, 2018. Vesting of the options shall take place over a period of 5 years and with a minimum vesting period of 2 years from the grant date. The said stock options would vest in tranches over a period of 5 years as follows:

The Vesting Schedule is set forth as follows

Tranches	Number of months from the grant of options	Percentage of options vested (%)	Cumulative percentage of options vested (%)
1	24	20	20
2	42	30	50
3	60	50	100

The options will vest subject to meeting and fulfilling of the service conditions as specified in the pl

On April 18, 2020, as per the scheme approved by the Company at Extraordinary General Meeting held on March 30, 2018, 20% of the options were due to vest if the vesting conditions were fulfilled on the said date. The vesting conditions were not fulfilled and accordingly, the options were lapsed. Pursuant to this, as per IND AS 10 "Events after the Reporting Period", no provision has been created for employee stock compensation for the period ended March 31, 2020 and the provision of Rs. 18,90,089 already recognized in previous financial periods been transferred to reserves in further financial period.

In Financial Year 2020-2021, the company has decided to withdraw the scheme and has paid Rs 33 per share to the employees who were holding ESOP during such withdrawals on the date of withdrawal of scheme Pursuant to that the company has transferred the remaining amount in Reserves

Movements during the period

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options under PN

Employees Stock Option Plan 2018:

Particulars	For the year ended March 31, 2021	
	No. Of Options	Weighted Average Exercise Price (in Rs.)
Options outstanding at the beginning of the perio	2,06,000	210
Options granted during the period		
Options exercised during the period		
Options forfeited during the period		
Options withdrawn during the period	2,06,000	243
Options lapsed during the period	0	0
Options outstanding at the end of the perio	0	0
Options exercisable at the end of the perio	0	0
Weighted average exercise price of options exercised as on the date of exercis	NA	NA
Weighted average remaining contractual life of options outstanding as of March 31, 2021	NIL	0

Details of scheme and calculation table mentioned above is related to Reporting period ended on 31st March, 2020. Status of this scheme as on 31 March, 2021 is, this scheme is fully withdrawn.

36 Fair value measurements

Financial instruments by category

Particulars	March 31, 2022		March 31, 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Non-current financial assets				
Investments	159.94		91.96	
Term deposits with maturity more than 12 months from reporting date		18.50		86.00
Security deposits		32.97		47.32
Current financial assets				
Trade receivables		329.19		30.49
Cash and cash equivalents		131.36		211.16
Other bank balances		296.58		862.18
Other current financial assets:				
Security deposit		21.38		3.85
Fixed Deposits with maturity of less than 12 months at balance sheet date		1,143.51		1,132.80
Total financial assets	159.94	1,973.49	91.96	2,373.80
Financial liabilities				
Non current financial liability				
Non-current borrowings		929.02		137.40
Other financial liability	1,699.28		1,186.39	
Current financial liability				
Current borrowings		2,766.38		3,263.76
Trade payables		460.18		204.12
Other current financial liability		1,846.42		1,743.37
Total financial liabilities	1,699.28	6,001.99	1,186.39	5,348.65

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts, largely due to the short term nature of these balances.

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

The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair value.

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at period end is as under

Particulars	Valuation technique	Significant unobservable inputs	Weighted average cost of equity	Sensitivity of the input to fair value
Perpetual Non-cumulative Preference Shares: The Shamrao Vitthal Co-operative Bank	Discounted cash flow method	Weighted average cost of equity	10.25%	1% increase : Decrease in fair value by INR 437,392 1% decrease : Increase in fair value by INR 476,390

Fair Value Hierarchy

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

Level 1 - This hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

The following table presents the fair value measurement hierarchy of the Company's financial assets and liabilities as at March 31, 2022:

Particulars	Fair value measurement			Total
	Level 1	Level 2	Level 3	
Financial Investments measured at fair value through profit and loss				
Equity Shares in The Shamrao Vitthal Co-operative Bank (100 shares of Rs 25 each)	-	-	0.0025	0.0025
Preference Shares in The Shamrao Vitthal Co-operative Bank (750,500 shares of Rs 10 each)	-	-	7.51	7.51
Equity Shares in The Vishweshwar Sahakari Bank (100 shares of Rs 50 each)	-	-	0.01	0.01
Baroda Liquid Fund	52.94	-	-	52.94
Investment In Liquid Bee:	65.01	-	-	65.01
LIC MF Liquid Fund	34.47	-	-	34.47

37 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans given, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments, loans and borrowings and other financial instruments. Market risk comprises interest rate risk, currency risk and other price risk such as commodity price risk. The sensitivity analysis in the following sections relate to the position as at respective period end.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at each period end.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

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

Particulars	Increase / (decrease) in basis points	Effect on Profit/(Loss) before tax	Effect on Other Equity
For the year ended March 31, 2022	50 (50)	(7.03) 7.03	(5.26) 5.26
For the year ended March 31, 2021	50 (50)	(7.76) 7.76	(5.50) 5.50

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities on account of purchase of gold. The Company enters into foreign currency futures to minimize the risk.

The Company has no outstanding exposure as at reporting period.

Since the purchase based on foreign currency rates is negligible to the total purchases the fluctuations in the foreign exchange rate does not have any material impact on the profitability of the Company.

Commodity price risk

The Company is affected by the price volatility of commodities like gold and silver. Its operating activities require the ongoing purchase and sale of these commodities. The Company uses derivative financial instruments to manage risk associated with the commodity price fluctuations. The hedging transaction is mainly done against price risk on exposure of the commodity. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading.

The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenure of the loan.

Commodity price risk sensitivity

Credit risk

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

Trade receivables

Customer credit risk is managed by the Company subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Credit risk on cash deposits is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies where historically, the Company has not incurred any loss due to credit risk.

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial and other current liabilities based on contractual undiscounted payments:

Particulars	On Demand	Within 1 year	1-5 years	Total
As at March 31, 2022				
Borrowings	2,688.83	77.55	929.02	3,695.39
Trade and Other Payables	460.18	-	-	460.18
Other Current Liabilities	3,545.69	-	-	3,545.69
Total	6,694.70	77.55	929.02	7,701.26
As at March 31, 2021				
Borrowings	3,262.41	1.35	137.40	3,401.16
Trade and Other Payables	204.12	-	-	204.12
Other Current Liabilities	2929.76	-	-	2,929.76
Total	6,396.29	1.35	137.40	6,535.04

38 Related party disclosures

In compliance with Ind AS-24 – “Related Party Disclosures”, as notified under Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below :

A. Name of related parties

Related Party	Relation
<u>Para 9(a)(ii): Individuals having Significant influence over Reporting Entity(RE)</u>	
Govind Vishwanath Gadgi	54.88% shares of company
Renu Govind Gadgil	45.03% shares of company
<u>Para 9(a)(iii): Individuals who are KMP of RE or KMP of Parent of RE</u>	
Govind Vishwanath Gadgi	Chairman, Whole Time Director & Promoter
Renu Govind Gadgil	Whole Time Director & Promoter
Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer
Aditya Amit Modak	Chief Financial Officer
Apurva Joshi	Company Secretary
<u>Relatives of KMP's</u>	
Anjali Vishwanath Gadgi	Sister of Govind Gadgil
Sunita Amit Modak	Wife of Amit Yeshwant Modak
<u>Para 9(b)(vi): Individual RP as per Para 9a has control over another entity</u>	
Gadgil Metals & Commodities	Govind Gadgil - Partner (Partnership firm)
Bhide Gadgil Associates	Govind Gadgil - Partner (Partnership firm)
Puneet Shares & Finance Private Limited	Renu and Govind Gadgil - Director
Shree Construction Company	Govind Gadgil - Partner (Partnership firm)
Bhide Gadgil Developers	Govind Gadgil - Partner (Partnership firm)
Govind Vishwanath Gadgil (HUF)	Govind Gadgil - Karta (HUF)
P.N.Gadgil & Sons Gargi Costume Jewellery Pvt.Itc	Govind Gadgil, Amit Modak and Aditya Modak - Directors (Pvt.Ltd)

38 Related Party transactions

The following is the summary of transactions with related parties for the period ended March 31, 2022 and for the year ended March 31, 2021:-

Sr.No.	Transactions with related parties	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
			Transaction for the year	Transaction for the year
1	Sale of Goods			
	Renu Govind Gadgil	Whole Time Director & Promoter	0.01	-
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	0.70	-
	Aditya Amit Modak	Chief Financial Officer	0.82	0.03
	P.N.Gadgil & Sons Gargi Costume Jewellery Pvt.ltd	Related Entity	63.82	-
	Sunita Amit Modak	Wife of Amit Yeshwant Modak	0.02	
	Apurva Joshi	Company Secretary	0.02	
	Total:		65.38	0.03
2	Purchase of Goods			
	Aditya Amit Modak	Chief Financial Officer	0.28	0.00
	Apurva Joshi	Company Secretary	0.04	-
	P.N.Gadgil & Sons Gargi Costume Jewellery Pvt.ltd	Related Entity	0.10	-
	Total:		0.41	0.00
2	Salaries and allowances to KMP's			
	Aditya Amit Modak	Chief Financial Officer	3.23	3.74
	Apurva Joshi	Company Secretary	0.70	0.68
	Total:		3.93	4.42
3	Director remuneration			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	94.00	79.00
	Renu Govind Gadgil	Whole Time Director & Promoter	59.00	58.00
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	12.40	12.19
	Total:		165.40	149.19
4	Loans accepted from KMP			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	372.50	430.00
	Renu Govind Gadgil	Whole Time Director & Promoter	397.58	625.00
	Total:		770.08	1,055.00
5	Loan repaid to KMP			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	407.50	546.88
	Renu Govind Gadgil	Whole Time Director & Promoter	427.50	641.05
	Total:		835.00	1,187.93
6	Interest Paid on loan to KMP			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	2.49	6.37
	Renu Govind Gadgil	Whole Time Director & Promoter	3.31	6.63
	Total:		5.80	13.00

7	Interest Paid on Escrow A/c to KMP			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	1.68	2.03
	Renu Govind Gadgil	Whole Time Director & Promoter	1.11	1.35
	Total:		2.80	3.38
8	Lease Rent paid to KMP			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	21.56	22.08
	Renu Govind Gadgil	Whole Time Director & Promoter	8.72	8.79
	Total:		30.28	30.87
9	Common Area Maintenance Charges			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	14.79	15.17
	Renu Govind Gadgil	Whole Time Director & Promoter	5.82	5.86
	Total:		20.60	21.03
10	ESOPs Granted (Nos.)			
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	-	0.01
	Aditya Amit Modak	Chief Financial Officer	-	0.01
	Total:		-	0.01

The following is the summary of outstanding balances with related parties for the year ended March 31, 2022 and March 31, 2021:

Sr.No.	Outstanding balances with related parties	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
			Outstanding for the year	Outstanding for the year
1	Salary Payable			
	Apurva Joshi	Company Secretary	0.06	
	Aditya Amit Modak	Chief Financial Officer	2.09	
	Total:		2.16	-
2	Unsecured Loan			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	25.00	60.00
	Renu Govind Gadgil	Whole Time Director & Promoter	80.00	110.00
	Total:		105.00	170.00
3	Escrow A/c			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	30.71	30.71
	Renu Govind Gadgil	Whole Time Director & Promoter	20.36	20.36
	Total:		51.07	51.07
4	Security deposits			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	13.53	13.53
	Renu Govind Gadgil	Whole Time Director & Promoter	5.10	5.10
	Total:		18.63	18.63
5	Accounts due to			
	P.N.Gadgil & Sons Gargi Costume Jewellery Pvt.ltd	Related Entity	0.11	-
	Total:		0.11	-

P. N. Gadgil & Sons Limited

Notes to Financial Statements for the year ended March 31, 2022

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39 Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD), which has been identified as being the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance.

The Company is into jewellery business. The CODM evaluates the Company's performance and allocates resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 "Operating Segments".

Information about geographical areas

The Company has operations only in India; hence there are no separately reportable geographical segments for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

There is no single customer or customer group who accounts for more than 10% of the total revenue of the Company.

40 Hedging activities and derivatives

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions.

The Company uses foreign currency derivative contracts to manage its exposure against the foreign currency risk relating to prices of gold.

The Company enters into commodity derivative contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchase of commodities.

The Company does not apply hedge accounting on such relationships.

The realized gains (amount) from such derivative transactions are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Hedging Mark To Mark (Loss) / Gain		
Commodity	99.87	8.06
Currency	30.08	7.80

41 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions.

Particulars	As at March 31, 2022	As at March 31, 2021
Shareholders' Funds		
Equity Share Capital	337.71	337.71
Reserves and Surplus	4,374.56	3332.69
Total Equity	4,712.27	3670.4

42 Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

The Company has determined dues to Micro, Small and Medium Enterprises on the basis of information collected from its suppliers as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid	153.21	18.86
Interest Due thereon	-	-

43 Treatment of Partner's Capital in the erstwhile partnership firm on conversion to Company

On conversion from a partnership firm under Chapter XXI of the Companies Act, 2013, fixed capital of the partners as on November 6, 2017 has been taken as the equity share capital of the Company. Current capital of partners has been treated as unsecured loans.

The Company has set aside amounts in Promoters' ESCROW accounts from the total loans outstanding to them as at March 31, 2022 to cover costs for uncertain future liabilities that may arise, if any, pertaining to erstwhile partnership firm.

44 Gold Metal Loan

In September 2015, the Government of India approved the gold monetization plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilize tons of gold stored in households and temples across the country. The Union Cabinet also approved the introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

Metal loan - the Company has an arrangement with the approved banker for lifting gold under metal loan terms against a limit under "price unfixed basis" and opts to fix the price for gold taken under loan within 180 days at delivery.

However, based on business expediencies, the Company fixes the price within 180 days, whenever the price is favorable. The price difference arising out of such transactions are accounted in the purchase cost adjusted accordingly. The interest if any payable to bankers on such outstanding is treated as finance cost on accrual basis.

Gold Metal Loan facility is enjoyed by creating a lien on the fixed deposit created with the bank out of own funds so as to reduce the inventory carrying cost.

The other income have increased substantially due to interest received on fixed deposit kept as collateral with the bank for the Gold Metal Loan.

At the year ended March, 2022 there is an amount outstanding of Rs. 1699.28 millions for such Gold Metal Loan, which is considered as Other Financial Liability against which Fixed Deposits are created by the company. Considering the impact of IND AS it is observed that such GML as financial instruments within the scope of IND AS 109 and the amount payable to such approved banker is in cash and hence the same is a Financial Liability.

The Host Contract i.e the loan has two embedded derivative:

- Right To fix the gold rate

- The prices are fixed in USD which is not a functional currency of either the Company or approved banker.

The Right to fix the gold rate has economic characteristics that is similar to the host contract. The pricing mechanism in the contract is commonly used in the industry when the contracts are negotiated. Thus separation of embedded derivative is not required.

The company has assessed that USD is the currency in which the price of the gold is routinely denominated in commercial transactions around the world. Hence the risk in foreign currency fluctuation –USD is closely related to the host contract.

Since the embedded derivatives are closely linked to the host contract, separation is not required. The company thus measure the entire instrument initially at fair value and subsequently at amortized cost.

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amounts are in Rupees millions, unless otherwise stated)

45 CSR Expenditure

As per provisions of section 135 of the Companies Act, 2013, the company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

The Company has contributed a sum of Rs. 29.97 millions (March 31, 2021: Rs. 6.70) and made a provision of Rs. 1.33 millions for the period towards this cause and charged the same to the Statement of Profit And Loss. Out of the Rs 29.97 millions spent, the sum of Rs 7.35 millions is towards shortfall of last year CSR Expenditure, therefore amount spent for the current year is Rs 22.62 millions. The gross amount required to be spent during the period was Rs 23.95 millions.

Particulars	Amounts	
	March 31, 2022	March 31, 2021
Amount required to be spent as per Section 135 of the Act	23.95	14.05
Amount spent during the year	22.62	6.70
Excess/(Shortfall) at the year end	(1.33)#	(7.35)*

*The gross amount required to be spent during the previous year (31st March 2021) was Rs.14.05 millions. The company had spent only 6.70 million in the previous year and had invested unspent CSR Amount in Nationalized Bank in the form of Fixed Deposits of Rs.7.29 million, and incurred Rs 0.60 million as administrative expenses for CSR activities. As per the provisions of the Companies Act 2013, and Companies (CSR Policy) Amendment Rules, 2021, the Company is required to spend the unspent amount within three financial years from the date of such transfer and company has complied with the

Reason for Shortfall (for FY 20-21): As per the explanation provided by the management of the Company, they could not find viable project for CSR due to Covid-19 situation, and therefore the amount not spent was deposited in a Nationalized Bank in the form of Fixed Deposits.

#There is an unspent amount of Rs 1.33 millions for FY 21-22. The CSR committee has taken the note of the same and informed the Board of Directors.

The Board of Directors, on recommendation of CSR committee, have decided to create a Fixed Deposit of the unspent amount and the Company intends to spend the same before 30th September 2022.

Out of the unspent amount, Company has spent Rs 5 lakhs till April'22.

Details of CSR expenditure spent during the current year (related to previous year) on ongoing CSR projects under Section 135 of the Act

Balance as at April 1, 2021		Amount required to be spent during the period	Amount spent during the period		Balance as at March 31, 2022	
With the Company	In Fixed Deposits		From the Company's bank account	From Separate CSR Unspent account	Balance to be spent	From Separate CSR Unspent account
0.06	7.29	7.35	0.06	7.29	-	-

Details of CSR expenditure for the current year under Section 135(5) of the Act in respect of other than ongoing projects

Name of Project	Item from the list of Activities in Schedule VII to the Companies Act	Amount Spent during the year
Distribution of Milk and Milk Products	Schedule VII (i)-Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water	11.71
Promoting Education	Schedule VII (ii)-Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	0.70
Upliftment of Eco-Socio backward Society	Schedule VII (ii)-Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	1.60
Protection of National Heritage	Schedule VII (v) -protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts	1.00
Promotion of Education and Self development	Schedule VII (ii)-Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1.10
Relief for Poor	Schedule VII (i)-Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water and (ii)-Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1.20
Workshop for special kids	Schedule VII (ii)-Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	0.01
Cultural Activities	Schedule VII (v) -protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts	1.55
Construction of Jogging Track and Ground for Kho-Kho and Kabaddi	Schedule VII (vii) - training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	3.70
Healthcare Assistance	Schedule VII(i)- Eradicating hunger, poverty and malnutrition, 2["promoting health care including preventive health care"] and sanitation 4[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	0.05
Total		22.62
a) Total Amount Spent for the current year		22.62
b) Total Amount Spent during the current year (a) + ongoing projects of previous year)		29.97
c) Amount of Shortfall for the current year		1.33
d) Total amount debited in P&L ((b) + (c))		31.30

(All amounts are in Rupees millions, unless otherwise stated)

46 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	326.44	2.55	0.20	-	-	329.19
(ii) Undisputed Trade Receivables – which have significant increase in credit ris	-	-	3.76	1.73	7.53	13.02
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(Note: previous year's figures are not available)

P. N. Gadgil & Sons Limited
 Notes to Financial Statements for the period ended 31st March 2022

(All amounts are in Rupees millions, unless otherwise stated)

47 Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	146.71	6.51			
(ii) Others	306.87	0.10			
(iii) Disputed dues- MSME					
(iv) Disputed dues- Others					

(Note: previous year's figures are not available)

P. N. Gadgil & Sons Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amounts are in Rupees millions, unless otherwise stated)

48 Cyber Fraud

During the FY 2019-20, the company was the target of Cyber- digital banking fraud wherein the bank accounts of the company were hacked and suffered monetary business loss of 29.84 millions. In FY 19-20, the company has provided for the monetary business loss of Rs.29.84 millions in the books of accounts as approved in its BOD meeting dated 18/05/2020. The investigation proceedings are not yet concluded as on Balance Sheet date.

49 Ratios to be disclosed

Sr. No	Particular	March 31, 2022	March 31, 2021	Percentage of variance	Reason for variance*
1	Current Ratio (in times) (Current Assets/Current Liabilities)	1.69	1.43	17.94%	-
2	Debt-Equity Ratio (in times) (Total Borrowings/Total Equity)	0.78	0.93	-15.37%	-
3	Debt Service Coverage Ratio (in times) (Earnings Before Interest, Depreciation and Tax (EBIDTA) / Interest)	4.62	6.09	-24.14%	-
4	Return on Equity Ratio (Profit after tax / Average Shareholders fund)	24.70%	44.74%	-44.79%	Effect: Adverse Reason: Falling margins have reduced returns
5	Inventory turnover ratio (in times) (Material Consumed / Average Inventory) *doesnot include bullion stock	1.35	1.41	-4.18%	-
6	Trade Receivables turnover ratio (in times) (Revenue from Operations/Average Trade Receivables)	314.16	998.48	-68.54%	Effect: Favorable Reason: Substantial increase in turnover due to bullion sale has caused variance in ratio
7	Trade payables turnover ratio (in times) (Net Credit Purchases / Average Accounts Payable)	264.09	81.95	222.25%	Effect: Favorable Reason: Company has sought credit period from creditors
8	Net capital turnover ratio (Total Income/working capital)	1200.67%	590.40%	103.36%	Effect: Favorable Reason: Introduction of bullion sales
9	Net profit ratio (%) (Net Profit / Total Income) * 100	1.83%	6.20%	-70.48%	Effect: Adverse Reason: Company has started trading in gold Bullions which has lower margin , resulting in reduced ratio
10	Return on Capital employed (%) [EBIT(1-t)] / Capital Employed] * 100	22.15%	39.51%	-43.94%	Effect: Adverse Reason: Falling margins have reduced returns
11	Return on investment (%) (Return or Profit or Earnings / Investment) * 100	2.56%	1.29%	98.42%	Effect: Favorable Reason: Receipt of dividend from shares held

As per our report of even date.

For Shah & Taparia
Chartered Accountants
Firm Registration No: 109463W

Sd/-
Ramesh Pipalawa
Partner
Membership No.: 103840
Place: Mumbai
Date: 11/06/2022
UDIN : 22103840ALBNOK6974

For and on behalf of the Board of Directors of
P. N. Gadgil & Sons Limited
CIN: U36911PN2017PLC173262

Sd/-
Govind Gadgil
Chairman and
Whole Time Director
DIN: 00616617
Place: Pune
Date: 11/06/2022

Sd/-
Aditya Modak
Chief Finance Officer
Place: Pune
Date: 11/06/2022

Sd/-
Amit Modak
Whole Time Director &
Chief Executive Officer
DIN: 00396631
Place: Pune
Date: 11/06/2022

Sd/-
Apurva Joshi
Company Secretary
Membership No:
ACS32972
Place: Pune
Date: 11/06/2022

P. N. Gadgil & Sons Limited

Notes forming part of financial statements for the year ended 31st March 2022

1. Corporate Information

P. N. Gadgil & Sons Limited (the “Company”) is a public limited company incorporated under the provisions of the Companies Act, 2013, as amended. It was originally formed as a partnership firm in the name and style of “P. N. Gadgil & Sons” (the “erstwhile partnership firm”) which was then converted from a partnership firm to a public limited company on November 6, 2017 vide CIN No. U36911PN2017PLC173262. The registered office of the Company is located at Abhiruchi, 59/1C, Wadgaon bk. Sinhagad Road, Pune – 411041.

The Company is engaged in the business of manufacturing and selling jewellery and articles of gold, silver, platinum, bullion, precious and semi-precious metals, gems and diamonds.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Preparation

The Balance sheet of the Company as at March 31, 2022, the Statement of Profit and Loss for the year ended March 31, 2022 and the Statement of Changes in Equity and the Statement of Cash flows for the period from April 1, 2021 to March 31, 2022 and the notes, comprising a summary of significant accounting policies and other explanatory information (together referred as ‘Financial Statements’) have been prepared under Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 to the extent applicable.

The Financial Statements are presented in Indian Rupees (“INR” or “Rupees” or “Rs.”).

The Financial Statements have been prepared by the management as a going concern on the basis of relevant Ind AS that are effective as on the balance sheet date and using presentation and disclosure requirements of Division II of Schedule III of Companies Act, 2013.

Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities on the date of the financial statements. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognised in the period in which the results are known/materialize.

Estimates and assumptions

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

Current taxes are recognised at tax rates (tax laws) enacted or substantively enacted by the reporting date and 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.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.2 Summary of Significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current and non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

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

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

(b) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in the Indian currency (INR), which is the Company's functional and presentation currency.

(c) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Revenue from contracts includes revenue with customers for sale of goods. Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. To recognize revenues, we apply the following five step approach:

- (1) Identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract, and
- (5) Recognize revenues when a performance obligation is satisfied.

Revenue 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods, income from making charges and amount received under the schemes

- a) The Company satisfies a performance obligation at a point in time and recognizes revenue when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. The control of the goods is transferred on delivery of goods to the customer.
- b) The Company recognizes the amount received from a customer under the schemes operated by the Company as a liability until the Company has no remaining obligations to transfer goods or services to the customer. Even in case of schemes the revenue recognition from making charges will be recognized upon the transfer of control to the customer.

Sales tax / Value Added Tax (VAT) or Goods and Service Tax (GST) (as applicable) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets (including MAT credit entitlement, if any) are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses if any. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Service Tax (GST) paid except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables respectively.

(e) Property, plant and equipment

On conversion, the Company has carried forward the written down values of Property Plant Equipment from erstwhile partnership firm as on 06th November, 2017.

On adoption of Ind AS, the Company has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 “Property, plant, and equipment”. The impact on re-computation is treated as other income in the financial statements on conversion.

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, cost of replacing part of the plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work in progress is stated at cost less impairment, if any. It includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss for the period during which the asset is derecognised.

Depreciation on property, plant and equipment

The Company was a partnership firm till November 6, 2017 and followed the written down value method of depreciation as per provisions of Income-tax Act, 1961. However, on conversion to Company and For the purpose of the Financial Statements, the Company has elected to follow the straight line method (SLM) of depreciation and has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 “Property, plant, and equipment”

Under this method, the estimated useful lives, as specified in Schedule II of the Companies Act, 2013 are as follows:

Block of Assets	Useful Life Considered (SLM)
Building	60 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Electrical Installations	10 Years
Vehicles	8 / 10 Years
Computers	3 / 6 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(f) Intangible assets

On conversion the Company has carried forward the written down values of Intangible Assets from erstwhile partnership firm as on 06th November, 2017.

On adoption of Ind AS, the Company has recomputed accumulated amortization as per the requirements of the Companies Act, 2013 and Ind AS 38 “Intangible Assets”. The impact on re-computation is treated as other income in the financial statements on conversion.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortization of intangibles

The useful lives of intangible assets are assessed as 10 years, and the same shall be amortized on a straight-line basis over its useful life.

(g) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The fair value of the investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by the management.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(h) Borrowing costs

Borrowing costs includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset until such time that the assets are substantially ready for their intended use. All other borrowing costs are expensed in the period in which they occur.

Borrowing cost is calculated as per the Effective Interest Rate (EIR) method. It is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument

(i) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

(j) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

- a) Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.
- b) The lease liability is measured at the present value of the lease payments to be made over the lease term. Lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made.
- c) The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs. The related right-of-use asset is depreciated in accordance with the depreciation requirements of Ind AS 16 Property, Plant and Equipment.
- d) For lessees that depreciate the right-of-use asset on a straight-line basis, the aggregate of interest expense on the lease liability and depreciation of the right-of-use asset generally results in higher total periodic expense in the earlier periods of a lease.
- e) Lessees re-measure the lease liability upon the occurrence of certain events (e.g., change in the lease term, change in variable rents based on an index or rate), which is generally recognized as an adjustment to the right-of-use asset.
- f) Leases having maturity period of less than 1 years have not been considered Ind AS 116 and their expense is separately disclosed in Profit & Loss A/c.
- g) Ind AS 116 is not considered to leases having low value and their expense is separately disclosed in Profit & Loss A/c.
- h) The company has entered into lease agreement with the lessors to avail rental services of their shops.
- i) Appropriate disclosures of Ind AS 16 is made as the leases meet the criterion of PPE as per the said Ind AS.
- j) There is no sub-leasing & sale and lease back transaction entered into by the company as on 31st March 2022.

(k) Inventories

Inventory is valued at lower of cost and net realizable value. Inventory of the Company includes stock physically present at its stores and held with goldsmiths and excludes customer's stock in the custody of the Company.

Cost of inventories comprises of all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to its present location and condition. Cost is determined on weighted average

basis. Initial cost of inventories includes the gains and losses on forward contracts entered into for covering the price fluctuation exposure in respect of the purchases of the underlying assets.

Inventory for the company being Commodity realizable in cash (Gold), Net Realizable Value is considered Standard selling price declared as per Indian Bullion and Jewellers Association as on reporting date for Bullion stock and for Valuation of Jewellery stock, added average making charges incurred to bring inventory to its present condition.

(l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best management estimates.

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

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Financial Statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the Financial Statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

(n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in Statement of Profit and Loss in the period in which the related service is rendered. The liabilities are presented as current liability in the Balance Sheet.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined contribution plans such as provident fund and
- (b) defined benefit plans such as gratuity

- *Defined contribution plans - Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee

renders the related service. If the contribution payable to the scheme for service received before the period end date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the period end date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans – Gratuity obligations*

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the period.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

(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.

i. Financial assets

Initial recognition and measurement

All financial assets are recognised 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments, Debt instruments measured at fair value through other comprehensive income (FVTOCI)

- *Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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 in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss.

- *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI 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 recognised in the statement of profit and loss.

- *Equity investments*

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

Impairment

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

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings and other financial liabilities.

Subsequent measurement

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

- *Financial liabilities at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments.

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised 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 is recognised in OCI. These gains/ losses are not subsequently transferred to Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(p) Fair value measurement

The Company measures financial instruments, such as, investments in mutual funds and equity shares at fair value at each reporting date.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 -This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value

(NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

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

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

The Restated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

(r) Earnings per share

Basic EPS is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity Shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

(s) Dividends

Final dividends on shares are recorded as liability on the date of approval by the shareholders and the interim dividends are recognised as liability on the date of declaration by the Company's Board of Directors.