



ANNUAL REPORT 2021-22

Troop Comforts Limited

(A Govt. of India Enterprise, Ministry of Defence)

CIN: U18109UP2021GOI150744

Regd. Office: TCL Corporate Bhawan, G.T. Road, Kanpur-208013, U.P.

About Troop Comforts Limited

In pursuance of Government of India decision dated 16th August-2021 to corporatize 41 Ordnance Factories under Ordnance Factory Board (OFB), Troop Comforts Limited was incorporated as one of the seven new DPSU's with 100% Government owned equity. With effect from 1st. October, 2021 ("Appointed Date"), the management control, operations and maintenance of 04 Ordnance Factories viz. Ordnance Clothing Factory Avadi (OCFA), Ordnance Clothing Factory Shahjahanpur (OCFS), Ordnance Equipment Factory Kanpur (OEFC) and Ordnance Equipment Factory Hazratpur (OEFHZ) and a Training Academy named Ordnance Factories Institute of Learning Kanpur (OFIL Kanpur) is being governed by Troop Comforts Limited, a newly carved out DPSU.

TCL is involved in the manufacturing of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tentages, Leather Items, Arrester Barrier, General Stores, etc. for Indian Armed forces, Paramilitary and State Police forces.



CORE VALUES

- **CUSTOMER SATISFACTION**

We are dedicated to build a long run relationship with our esteemed customers. We strive to understand our customers' needs, undertake requisite research, development and deliver best quality products that fulfill their requirements.

- **PEOPLE & TEAM WORK**

We value our people and treat each other with dignity and respect. We are striving to Make TCL a dynamic, vibrant & value-based organization with exceptionally skilled, highly motivated & committed human resource to meet the current & future challenges. We believe in the highest levels of integrity and discipline.

- **RESEARCH & INNOVATION**

We believe in research and innovation and keen to develop new products for our esteemed customers. We are committed to strive to improvement in every aspect involved in our business with a view to achieve excellence and competitiveness.

- **QUALITY, TIME AND COST CONSCIOUSNESS**

We are dedicated to deliver products that conform highest standard of quality, functionality, durability, reliability and maintainability. We are committed to deliver on time and at competitive price.

Company Vision

"To an **ATMANIRBHAR BHARAT**, that is **SELF RELIANT** in **TECHNICAL TEXTILES AND APPARELS** for our troops and billion lives."

HR Vision



- Make TCL a dynamic, vibrant & value-based organization with exceptionally skilled, highly motivated & committed human resource to meet the current & future challenges.

HR Mission



- To continuously innovate, evaluate and realign HR practices with the environment, business strategies / directions and employee expectations to maintain relevance and to attract, nurture and retain talent.
- To foster a spirit of creativity and innovation amongst the employees by facilitating creation of a rewarding, inspiring and motivational organizational climate.

HR Strategies



a) Align all HR activities with the Organisation's Business Strategies

- Lead and manage organizational changes
- Institutionalization of competency-based HR Systems / Processes
- Building Employee commitment
- Building Enabling systems

b) Employee Empowerment

- Build ownership
- Recognition of ideas
- Enabling Managers to take decisions within the policy framework
- Provide feedback and resolve issue

c) Develop Leadership Capability

- Identifying critical leadership competencies Build ownership
- Creating a context for leadership development
- Nurture leadership talent
- Put in place development systems, succession plans, training, programmes and projects, mentoring opportunities and management review teams

d) Manage Attrition and Retention of Key Personnel

- Suitable reward policy
- Creation of a performance culture for nurturing key talents
- Identifying next generation leaders
- Career development programme
- Encouragement to exemplary employees

e) Develop Proactive Strategies on Employee Relations

- Fostering a culture of Discipline & Managing Discipline
- Proactive Industrial Relations (IR) Management
- Corporate Social Responsibility

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BOARD OF DIRECTORS



Shri Santosh Kumar Sinha
Chairman & Managing Director



Shri Atul Gupta
Director
(Operations)



Maj Gen Ravi Rajeshkhar Patil
Director (Human Resource)



Dr. Sanjeev Kumar Saxena
Director (Finance) & CFO



Mr. Chandraker Bharti
Joint Secretary (Aerospace)
Govt. Nominee Director
(From 30/11/2021 to 14/09/2022)



Mr. Rajeev Prakash
Joint Secretary (Naval System)
Govt. Nominee Director
(w.e.f. 14/09/2022)

CORPORATE INFORMATION

Chief Vigilance Officer (CVO)

Shri Shrikant Walgad, IAS

Company Secretary

Shri Suresh Kumar Gupta

Statutory Auditors

V. P. Aditya & Co.

Chartered Accountants

Secretarial Auditor

Ankit Mishra & Co.

Practicing Company Secretary

Banker

State Bank of India

HDFC Bank

ICICI Bank

Axis Bank

Registered Office

TCL Corporate Bhawan

G.T. Road, Kanpur-208013

Uttar Pradesh, India

Senior Corporate Management as on 31.03.2022

Shri P. Mohanty

General Manager Corporate (HR)

Shri Surjeet Das

GM, OCF Avadi (TN)

Shri A. K. Shukla

GM, OCF, Shahjahanpur

Shri Akhilesh Kumar

GM, OEF, Kanpur

Shri M.V. Krishnamurthy

OEF, Hazaratpur

Shri Rajeev Sharma

Joint General Manager Corporate(Operations)

Shri Birendra Singh

Joint General Manager Corporate(R&D, Marketing)

Shri Anand Dubey

Works Manager Corporate (Finance)

Shri Rajeev Arora

AWM Corporate (Accounts)

BOARD OF DIRECTORS



Shri Santosh Kumar Sinha
Chairman & Managing Director

Shri Santosh Kumar Sinha is appointed as Chairman and Managing Director of the Troop Comforts Limited with effect from October 1, 2021. He is Gold Medallist in B.Sc. Physics and also holds post graduate degree of M. Tech from Geophysics. He also has PGDM in Personnel Management.

Shri Sinha is an Indian Ordnance Factories Services (IOFS) officer of 1986 Batch and joined as Asstt Works Manager at Ordnance Factory Dum Dum in Jan 1987. He has been associated with Indian Ordnance Factories for over 34 years. He gained vast and diverse experience in all areas and various domains of Administration, Planning, Production and Supply Chain Management. He has worked in OFB Headquarter and many Ordnance Factories such as Gun & Sell Factory Cossipore, Vehicle Factory Jabalpur, Grey Iron Foundry Jabalpur & Ordnance Clothing Factory, Shahjahanpur in various capacities. At Ordnance Factory Board Kolkata, he was working as Deputy Director General, Quality Control Division. As a head of the QC Division, he was instrumental in defining role of QA Agencies in OFs. He had also served Ordnance Factory Board as Deputy Director General in the Capacity of Head of Personnel and Industrial Relations department.

He has served as General Manager Ordnance Factory Dehu Road and Ordnance Factory Ambernath where he gained experience in the production of Pyrotechnic Ammunition including various igniters and production of various brass, steel and aluminium Ammunition Hardware's.

Shri Sinha has also worked on deputation in Central Ground Water Board (CGWB) under Ministry of Jal Shakti.

Shri Sinha with his rich and varied experience had provided solutions related to intricate technical problems and strategic issues. He provided valuable inputs as a Chairman of S.K. Sinha Committee formed for re-deployment and re-training of manpower of OEF Group of Indian Ordnance Factories. He had also extensively contributed to GOI's "Make in India" strategy by developing Manufacturing of various ordnance and ordnance equipment, and had set roadmap for enhancing self-reliance & self-sufficiency through indigenization efforts for obsolescence management and for developing alternate technology leading to product improvement & reduction in cost.



Shri Atul Gupta
Director (Operations)

Shri Atul Gupta has taken over as Director (Operations) of Troop Comforts Ltd with effect from October 1, 2021. Prior to taking over as Director, Shri Atul Gupta was holding the post of General Manager, Vehicle Factory Jabalpur. He also headed one more Ordnance Factory, Grey Iron Foundry, Jabalpur as General Manager.

Pursuant to completing B.Tech (Mechanical Engg) & M.Tech (Production Engg) from IIT Roorkee, Shri Atul Gupta acquired degree of MBA (Finance).

He has worked in various capacities in OFB Headquarter and many Ordnance Factories such as Small Arms Factory Kanpur, Machine Tool Prototype Factory Ambarnath, Ordnance Equipment Factory, Kanpur & Ordnance Clothing Factory, Shahjahanpur. At Ordnance Factory Board Kolkata, he was working as Deputy Director General, Material Management Division. As a head of MM Division, he was instrumental in transforming OFB's policy framework of Material Procurement.

He has rich experience of over 33 years in manufacturing of B-Vehicles, Gears, Gear Boxes, Transmission units of A & B Vehicles, Production Management of Clothing & Leather technology and Castings. In addition, he has vast experience in Contract Management, Information Technology, e-procurement & MIS.



Maj Gen Ravi Rajeshkhar Patil
Director (Human Resource)

Major General RR Patil was commissioned into the Regiment of Artillery and has completed 36 years of distinguished service with the Indian Army, during which he has held a number of critical appointments in the field of operations, operational logistics, human capital enhancement, inventory management and administration of large organisations.

The officer has immense experience in working with multinational and multi-agency teams, which has provided him with deep insights into successful organisational cultures. He has had a number of tenures along the Northern, Western and Eastern borders of the country where he was responsible for stocking and feed-forward of supplies, ammunition, specialised clothing, air maintenance equipment and other important accessories for troops deployed on the Line of Actual control. He was part of a major force restructuring of the Indian Army including new raisings and relocation of existing formations, managing their equipment and logistics profile as the Deputy Director General in the Military Operations Directorate.

He has immense command experience in that he commanded an infantry division on the Western Front. As Major General Operational Logistics of the sensitive and critical Kolkata based Eastern Command of the Indian Army, the officer was involved in the execution of a host of projects in varied fields such as land administration, arms and ammunition stocking and deployment, clothing and rations of frontline troops and integrating the logistics plan with the intent and operational directives of the Eastern Army Commander.

In his previous appointment as Additional Director of Strategic Communications, the officer was responsible for interface of the defence forces with print, electronic and social media.



Dr. Sanjeev Kumar Saxena

Director (Finance) & CFO

Dr Sanjeev Kumar Saxena an Indian Ordnance Factories Service (IOFS), 1989 batch officer, took over as Director (Finance) of TCL with effect from September 15th 2021. Prior to that he was heading Materials Management & Indigenization functions at Heavy Vehicle Factory, Avadi, Chennai, under Ordnance Factory Board. He has 31 years of experience in Defence manufacturing. He also has rich experience at OF Board in Business Strategy, HR, R&D and Quality management functions. In addition, he was Director at National Academy of Defence Production, Nagpur.

Graduated in Mechanical Engineering from GECT, Raipur in 1986, he Post graduated (M. Tech) from IIT, Kanpur in 1988 and Post Graduate Diploma in Management from MDI, Gurgaon in 1998. He has been awarded Doctorate in Management by BITS, Pilani in 2017.



Shri Chandraker Bharti

Joint Secretary (Aerospace), Govt. Nominee Director

Shri Chandraker Bharti was appointed as Government Nominee Director of the Company w.e.f Nov 30, 2021. He was also served as Government Nominee Director of the Company from Nov 30, 2021 to September 14, 2022. He is an engineering graduate from Delhi College of Engineering, joined the Indian Administrative Services in September 1996. He has also acquired M.Sc degree in Public Management & Policy from London School of Economics & Political Science, UK.

He has more than 25 years of experience in Civil Services and held various important assignments, which include Additional Commissioner, Department of Sales Tax, Govt. of NCT of Delhi; Director, Ministry of Commerce & Industry; Development Commissioner in various Government Departments such as Agriculture, Finance & Planning, Industries & Commerce, Information Technology, etc. in the Union Territory of Pondicherry. He had also served for a short period at Health & Family Welfare and Environment & Forest Departments of Govt. of NCT of Delhi.



Mr. Rajeev Prakash

Joint Secretary (Naval System), Govt. Nominee Director Government Nominee Director

Shri Rajeev Prakash has completed B.A. Honors in English from St. Stephen's College, University of Delhi and M.A. in Development Studies from the Institute of Social Studies, Erasmus University. He is a 1995 batch Indian Post & Telecommunication Accounts and Finance Service Officer (IP&TAFS).

Shri Rajeev Prakash has a vast experience in the field of finance and held various important posts in the Government of India. Prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in June, 2022, he has worked as Deputy Director General (Wireless Planning & Finance), Department of Telecommunication, Ministry of Communication. Further, he was also a Government Nominee Director in Bharat Broadband Network Limited.

MAJOR EVENTS



BIMCTEC Nation Participation



Police Expo 2022



Local public Exhibition were organized at the unit levels in Kanpur, Shahjahanpur, Avadi from 13th to 19th December to celebrate the 75th Azadi ka Amrit Mohotsav.

OEF Kanpur



Signing of MoU's with IIT Delhi for the selection of Technologically Advanced Textile materials.



Signing of MoU's with NIFT for ergonomic designing of Garment/Equipment, Optimizing the Assembly Line manufacturing system.

Chairman's Message



Dear Shareholders,

It is my honour and privilege to welcome you to the 1st Annual General Meeting (AGM) of Troop Comforts Limited (TCL). At the outset, on behalf of Board of Directors, I thank you for your trust, encouragement and unequivocal support to the Company and its management.

It gives me immense pleasure to address you all today in the capacity of Chairman of this esteemed organisation. I am privileged to be a part of transformation to Corporatisation of Ordnance Factories into seven new Defence Public Sector Undertaking (DPSU). TCL being one of them, I intend to leverage my experience with collective support to address many challenges being the first financial year of Company and to make efforts for sustainable growth and profitability.

I take this opportunity to share the performance highlights during the year and future outlook of the Company.

Financial Performance

Being first financial year of TCL since its incorporation, I would like to state that TCL commenced its business w.e.f. 1st October, 2021 and posted satisfactory financial results for the first half financial year 2021-22 and overall performance of the Company was positive. The Gross revenue reported is Rs 584.57 Crore and Revenue from Operations Rs 575.72 Cr., Profit before Tax of Rs 23.03 Cr and Profit after Tax of Rs 16.37 Cr.

Operational Performance

TCL is in the business of manufacturing of Clothing items and accessories required by the Indian Armed Forces, Para Military and State Police forces. After commencing business activities as DPSU, TCL has strived for the development of technologically advanced products as product diversification to secure the orders for the TCL group of units.

TCL has made special efforts to secure new and import substitute products and filed 05 IPR's application to Intellectual Property Right Department. With thrust on R&D initiatives and providing import substitute solutions to Indian Army, TCL has under taken the projects of following items for indigenization, which are presently being imported by Indian Army.

- ECWCS (Extreme Cold Weather Clothing System)
- Boot Multipurpose
- Boot Crampon
- Modular Gloves
- High Altitude Pulmonary Odema (HAPO Chamber)

Way Ahead

Company is giving emphasis on the development of technologically advanced niche products through In-house R&D/MAKE-II/IDEX. Company is focusing on new emerging business opportunities in the Import substitute items of the Indian Army. The Company endeavours to grow in each of its vertical by expanding its product profile, aligning with customer requirements and diversification of customers.

Troop Comforts Limited has also been designated as a nodal agency for setting up of solar panels / solar power plants at all places/ establishments (i.e. attached offices, subordinate offices, societies etc.) under the Ministry of Defence. The Company has identified energy generation business with focus on solar energy as area where opportunity lies for expanding product mix in order to make optimum utilization of available resources.

Export-Focus Area

After corporatization, Company in its diversification strategy is determined and focused to imprint its global footprints by exporting its in-house designed products as per the customized requirements of the international market. The Company is making all out efforts to secure the export orders by participating in overseas tender enquiries of South East Asia, Middle East, Africa etc. Strategies adopted to promote and enhance the Company's export business include brand building & visibility through presentations, participation in exhibitions etc.

Implementation of Government programme

The Company has been consistently progressing towards achieving self-reliance through determined efforts to increase indigenization in key areas of Troop Comforts items. As a part of the Government's efforts to achieve self-reliance in Defence production, presently all the products in TCL range are manufactured with indigenized materials.

Corporate Governance

Your company is constantly adopting and maintaining the highest standard of ethics and transparency in all sphere of business activities. The Company is regularly complying the guidelines on Corporate Governance for CPSE issued by Department of Public Enterprises (DPE). TCL has made necessary disclosures in this regard in the Corporate Governance Report.

Human Resource development & Industrial Relation

Your Company has always kept 'Learning & Development' in its priority list of activities as it believes that the key to survival, sustainability and growth in any sector lies in continuous learning and development of the Human Resource. Learning & Development is the most important factor that contributes in increasing the efficiency, improving the product quality, adopting new technologies, catalysing innovation, controlling cost and staying ahead of the competition in long run.

This enables our Training Academy (a unit of TCL) to conduct online training programmes as per requirement at short notice. The employees were facilitated to attend the same through electronic devices. Total 3470 employee man-days were spent on in-house and online training.

Industrial relations remained cordial & harmonious and factories under TCL continued to work smoothly throughout the year. Multi-unions/Associations scenario continued in the Company. Meetings of participative fora such as Works committee meetings and Quarterly Productivity Council meetings with Employees' Unions and Associations were held at regular intervals. Overall industrial relations between

the Management and Unions/ Associations continued to be peaceful and the Workmen Unions/Associations co-operated with the Management to work towards the common objectives of the Company.

Appreciation

I am privileged to be heading TCL while we are celebrating 75th glorious years of independence and contributing to development of the nation by delivering 100% indigenous quality products to Indian Armed forces and other valuable customers. I am confident that TCL will continue to serve the nation by delivering world class troop comforts items to Armed services and to make special efforts in securing & executing export orders in the upcoming future.

As I conclude, I would like to acknowledge the continuing support and guidance of Ministry of Defence, Central

and State Government authorities, Indian Army, Indian Navy, Air Force, Para Military Forces, Ministry of Home Affairs and Directorate of Ordnance (C&S). I am extremely grateful and thankful to our shareholders for their support and trust in TCL. I take this opportunity to acknowledge the efforts of Board Members, senior management for their commitment and support in steering the organization forward. I acknowledge the untiring efforts and support of all employee of the Company. I am sure that with continued support and encouragement of all stakeholders of the Company, TCL is placed on a path of accelerated growth.

Jai Hind

Sd/-

Santosh Kumar Sinha

Chairman & Managing Director



COAT COMBAT DISRUPTIVE WITH INDIAN ARMY LOGO

FEATURE

- For use over Jacket Disruptive during combat operations under cold climate.
- Made from combination of cloth Polyester cotton (67:33) disruptive pattern with Indian Army Logo & Cloth Polyester – Cotton (20:80) Greenish Khaki as top layer and double layer Bonded Polyester Fleece as lining.
- Detachable inner made from fleece provides insulation & comfort.
- Detachable hood for better coverage at hood & ear.



RAIN CAPE MULTIPURPOSE (PONCHO)

FEATURE

- Multipurpose Rain Coat styled in Poncho Design.
- Provides complete protection from torrential rain.
- Usable as Personal Shelter, Ground Sheet, Make Shift Stretcher and Biwi Sack.

BULLET RESISTANT JACKET

BULLET RESISTANT JACKET (BHABHA KAVACH)



FEATURE

- Light Weight Bullet Resistant Jacket.
- Provides 360° protection.
- Developed in collaboration with BARC and MIDHANI.
- Protection level NIJ - III Standard 0101.06.



BULLET RESISTANT JACKET (BRJ)

FEATURE

- Meets QRs of MHA GSQR for threat level III+, BIS Level 5 of IS 17051: 2018 and NIJ Level III of NIJ 0101.06 standards.
- Ergonomically designed for 360° protection of Front, Back, Sides, Groin, Throat and shoulder.
- Magazine and Grenade Pouches.
- The weight may vary from 5.1 kg to 13.72 kg depending on User Requirement.

MODULAR LIGHT WEIGHT LOAD CARRYING EQUIPMENT



ASSAULT PACK



RUCKSACK



HYDRATION SYSTEM



BALLISTIC HELMET



**BULLET
RESISTANT VEST**



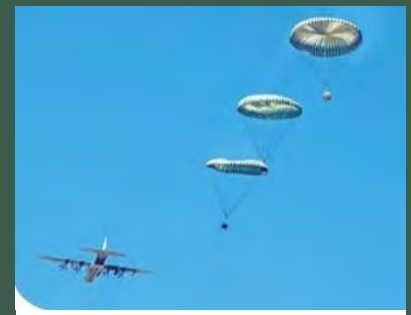
**BULLET RESISTANT JACKET
(NIJ LEVEL IV)**



**MULTIPLE ELEMENT
NET ASSEMBLY (MENA)**



**BOOT CRAMPON
(Under Import Substitute)**



**EQUIPMENT CARGO
AERIAL DELIVERY
Load Carrying capacity 150 Kg.**

Directors' Report

To
The Members

Your Board of Directors takes pleasure in presenting the 1st Annual Report on the business and operations of the Company, together with the Audited Financial Statement for the year ended March 31, 2022.

BUSINESS REVIEW

Your company being incorporated in pursuance of the decision of the Union Cabinet on 16th June, 2021, the Government of India has decided to corporatize the functions of the 41 production units (Ordnance Factories) of the Ordnance Factory Board ("OFB"), functioning under the Department of Defence Production, Ministry of Defence ("DDP").

In pursuance of Gazette Notification No. CG-DL-E-01102021-230101 dated 1st October-2021 Government of India decided to corporatize Ordnance Factories, Troop Comforts Limited was incorporated as 100% Government owned Company on 16th August-2021. With effect from 1st October, 2021 ("Appointed Date"), the management, control, operations and maintenance of 4 Ordnance Factories out of 41 Ordnance Factories viz. Ordnance Clothing Factory Avadi (OCFA), Ordnance Clothing Factory Shahjahanpur (OCFS), Ordnance Equipment Factory Kanpur (OEFK) and Ordnance Equipment Factory Hazratpur (OEFHZ) and a Training Academy named Ordnance Factories Institute of Learning Kanpur (OFIL Kanpur) have been transferred on going concern basis to this Defence PSU Named 'Troop Comforts Limited'.

TCL is mainly engaged in manufacturing of Life Cycle Clothing (LCC) of Armed Services, Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Protective Gears, Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tents, Leather Items, Arrester Barrier, General Stores etc. for both Defence Services and Civil Sector.

PERFORMANCE HIGHLIGHTS AND FINANCIAL RESULTS

Revenue from Operations:

Your company has achieved operating revenue of

₹575.72 Crore since commencement of business i.e. 1st October, 2021. The detail revenue of the company is give below: -

(₹ in Crore)

Particular	*2021-22
Revenue from Operations	575.72
Other Income	8.85
Total	584.57

***Company (TCL) commenced its business from 1st October, 2021**

Financial Performance

The Company achieved gross revenue of ₹584.57 Crore and reported Profit before tax (PBT) of ₹23.04 and Profit after tax (PAT) of ₹16.38 Crore since commencement of business.

(₹ in Crore)

Particular	2021-22
Gross Income	584.57
Revenue from Operations	575.72
Earnings Before Interest, Taxes & Depreciation	36.19
Less: Finance Costs	-
Less: Depreciation	13.15
Profit Before Exceptional Items and Tax	23.04
Less: Exceptional Items	-
Profit Before Tax	23.04
Less: Tax Expense	6.66
Profit After Tax	16.38
Other Comprehensive Income (net of tax)	-
Total Comprehensive Income	16.38
Profit & Loss Appropriation Account	-
Amount available for appropriation (including Opening Balance)	-
Less: Final Dividend paid for the previous year	-
Less: Interim Dividend paid	-
Less: Dividend Distribution Tax paid	-
Less: Amount transferred to Reserves	-
Balance	16.38

DIVIDEND

Your Company being in first year of incorporation requires retention of profit for accumulating reserve & surplus for business growth and CAPEX needs for replacement of depreciated Assets, improvement of manufacturing infrastructure & information system etc. Further, future order position is also not very healthy. Keeping in the view of above, Board of Directors did not recommend any dividend for the financial year 2021-22.

FINANCE

Paid-up Capital: The paid-up capital of the Company as on 31st March, 2022 was ₹52.12 Cr.

Reserve: Other Equity representing reserves and P&L Account balance stood at ₹4521.55 Cr as at end of the year. This consist of other reserve for issuance of shares to Government of India against Net Assets Value (NAV) of transferred to Troop Comforts Limited ₹4505.17Cr, and Profit and Loss Account ₹16.38Cr.

Loan, Guarantees or Investment: The company neither has any outstanding loan nor taken any fresh loan from Government and financial institution during the financial year.

Financial Position: The financial position of the Company as on 31st March, 2022 is shown below;

Particular	2021-22
Capital Employed (INR In Crore)	4,576.29
Working Capital (INR In Crore)	285.48
Net Worth (INR In Crore)	4573.67

Ratio:

Current Ratio (Current Assets/Current Liabilities)	1.70
Inventory Turnover Ratio (Sales/Average Inventory)	3.69
Return on Capital Employed (Earnings before Interest and Taxes/ Capital Employed)	0.01

CONTRIBUTION TO EXCHEQUER

The Company's contribution to the Exchequer during FY 2021-22 was ₹70.39 Cr. Details of Company's contribution to the Exchequer is given below:

₹ in Cr

Particular	2021-22
A. DIVIDEND	-
B. TAXES	
a. Corporate Income Tax	4.02
b. Dividend Distribution Tax	-
c. Goods & Services Tax	66.37
Total	70.39

OPERATIONAL PERFORMANCE

Troop Comforts Limited as 100% Govt. Owned DPSU has commenced its business w.e.f. 01.10.2021.

TCL is in the business of manufacturing of Clothing items and accessories required by the Indian Armed Forces Services, Paramilitary & State Police Forces. After commencing business activities as DPSU, TCL has strived for the development of technologically advanced products as product diversification to secure the orders for the TCL group of units. During the reported financial year i.e. 2021-22, following transformational strategies have been adopted for sustainability along with continual growth:

- Thrust in R&D to develop technologically advanced niche products
- Import Substitution solutions under ATMANIRBHAR BHARAT, MAKE-IN-INDIA
- Business Partnership with OEM's
- MOU with Premium Institutions
- Launching of products for commercial Civil Market under TCL Brand logo.
- Venturing into Export Market for selected TCL range of products.

Apart from above strategies, TCL also filed 05 IPR's in the Industrial designing of products. As thrust in R&D initiative and providing import substitute solutions to Indian Army, TCL has under taken the project of following items for indigenization as these are presently being imported by Indian Army.

- ECWCS (Extreme Cold Weather Clothing System)

- Boot Multipurpose
- Boot Crampon
- Modular Gloves
- High Altitude Pulmonary Odema (HAPO Chamber)

- The complete system consists of seven levels of protection. All the materials are indigenous.

(2) BOOT MULTIPURPOSE:

It has been developed under the MAKE-IN-INDIA as import substitute item to manufacture it Indigenously. Its features are summarized as under:

(1) SEVEN LAYERED ECWCS

- It is an import substitute item developed by TCL under MAKE-IN-INDIA initiative.
- It works against high wind velocity 40 km/hr prevalent at super high altitude above 18000 feet and wide temperature range between (+4°C and -50°C) to maintain adequate environmental protection.

- ✓ Intended for hiking in snow and glaciated terrain at an altitude of 18000 ft. and temperature range up to - 50°C with wind velocity of 40 Km./hr.
- ✓ Compatible with Boot Crampon.
- ✓ Suitable for all activities performed in glacier and provide warmth, fit, comfort and convenience.

HIMVEER (7 LAYER SYSTEM)



• Level 1 •
• Level 2 •
• Level 3 •
• Level 4 •
• Level 5 •
• Level 6 •
• Level 7 •

Seven levels of protection as dynamic system for climate tolerances. Allows soldier to train, operate and sustain climate range -50°C to 4°C and high wind velocity up to 40 km/hr at an altitude of 18000ft & above.

OUTER BOOT



INNER BOOT



(3) MODULAR GLOVES:

- These Gloves have been developed jointly by CLRI Chennai and Troop Comforts Limited.
- Two layered gloves system with Glove Inner and Outer for use in SCME conditions (-50°C, 18000 ft. altitude and wind velocity 40 Km./hr.)



(4) BULLET RESISTANT VEST NIJ LEVEL III A:

- Standard: MHA GSQR, BIS level I of IS 17051:2018 and NIJ Level IIIA of NIJ 0101.06 Standard.
- Protection against: Handguns, Pistols, Revolvers, Submachine Guns Other 9 mm calibre ammunition.



Bullet Resistant Jacket NIJ III+

(5) BULLET RESISTANT JACKET THREAT LEVEL NIJ III+:

- **Successfully supplied to :**
- Assam Police, Tamil Nadu Police & Repeat query received from both.
- Order of Bihar Police also received



Bullet Resistant Jacket NIJ III+

In short, TCL is providing solutions in the field of Life Cycle Clothing, Special Clothing for Cold Climate & Mountaineering Equipment, Ballistic Protection Gears and to take care the ambient temperature ranges of +50 °C to -50 °C (Desert to Glacier) to Indian Armed forces deployed in these conditions.

ORDER BOOK POSITION

TCL order book position for FY. 2021-22 and subsequent years was as under:

Amount in Crore (Excluding GST)

Financial Year 2021-22 (from 01.10.2021 to 31.03.2022)	Financial Year 2022-23
699.94	985.22

TCL product range falls under the categories of Life Cycle products of Armed Services, Extreme Cold Climate (ECC) and protective Clothing, Special Clothing and

Mountaineering Equipment (SCME), Tentage, Water Storage, Cover Water Proofs and Other Troop Comforts Equipments. As on 31ST March 2022, the net value of works to be executed in the next financial year 2022-23 in respect of orders received by the TCL for various Troop Comforts Items i.e. Combat Uniforms, Coat Combat Disruptive Pattern, Coat Extreme Cold Climate, ECAD Parachute etc. amounted to Rs 1,173.00 Cr (approx.) for Indian Armed forces including the orders to be executed for DPSU's. The Company continues its thrust for securing orders against competitive bidding and also exploring orders to be received from international market of friendly foreign countries and further expanding its business activities by entering into Commercial Civil market through e-commerce and digital marketing platforms.

FUTURE PROSPECTS

In its pursuit for the sustenance as well as continual growth of TCL, Company is giving emphasis on the development of technologically advanced niche products through In-house R&D/MAKE-II/IDEX. Company is focusing on new emerging business opportunities in the Import substitute items of the Indian Army. The Company endeavors to grow in each of its vertical by expanding its product profile, aligning with customer requirements and diversification of customers.

The Company is aggressively bidding for RFPs issued by the Indian Army, Indian Air force, Indian Navy and other customers for securing the orders through competitive bidding. The Company has secured some of the orders from Indian Air force and other DPSU's.

Ministry of Defence vide their letter No F. No. 8(46)/2022-D(Coord/DDP) dated 08 June 2022 had nominated Troop Comforts Limited as a nodal agency for setting up of solar panels / solar power plants at all places/ establishments (i.e. attached offices, subordinate offices, societies etc.) under the Ministry of Defence. The Company has identified energy generation business with its focus on solar energy as area where opportunity lies for expanding product mix in order to make optimum utilization of available resources.

TCL is committed to build brand identity among its customers. Accordingly, new brand logo is planned to be launched in the near future.

EXPORT INITIATIVES

In the pre-corporatization period, Company was basically focusing on manufacturing the Troop Comforts items required by the Indian Armed forces. After corporatization, Company in its diversification strategy is determined and focused to imprint its global footprints by exporting its in-house designed products as per the customized requirements of the international market. The Company is making all out efforts for participation in overseas tender enquiries of South East Asia, Middle East, Africa etc. Strategies adopted to promote and enhance the Company's export business include brand building & visibility through presentations, participation in exhibitions etc.

Efforts are being made for export of Company's products to countries such as Nepal, Bhutan, African countries and South East Asian countries. In addition to the export of in-house designed products, concerted efforts are being put in for offering customized designed products.

INDIGENISATION AND MAKE IN INDIA INITIATIVES

The Company has adopted the 'Make in India' initiatives launched by the Government of India and successfully implemented the 'Make in India and Indigenization policies promulgated by the Government from time to time. The Company has been consistently progressing towards achieving self-reliance through determined efforts to increase indigenization in key areas of Troop Comforts items.

As a part of the Government's efforts to achieve self-reliance in defence production, presently all the products in TCL range are manufactured with indigenized materials.

PROCUREMENT

E-procurement:

Your Company endeavors to maximise the procurement of materials and services through GeM portal in line with the MoD guidelines. During FY 2021-22, more than 90% of total requirements was procured through Gem portal.

Procurement through Government e-Marketplace (GeM):

GeM portal is a fair, transparent and robust digital platform, enabling to achieve maximum advantage through competitive bids by reaching to lakhs of vendors registered on the platform. The Company has registered with GeM portal for procurement of commodities and services, including capital goods, office equipment etc. Consistent efforts to enhance the procurement through GeM portal resulted in total procurement to the tune of Rs 299 Cr during FY 2021-22.

Preference to Start-ups:

With a view to encourage Start-ups, the Company is following the Govt. guidelines with respect to prior experience and turnover, without compromising technical specification and quality standards.

PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSES)

The Company has also been providing thrust on enhancing procurements from MSEs. During FY 2021-22, the Company achieved 43.34% of the indigenous procurement (excluding BNE items) from MSE sector, as against the revised mandatory target of 25%. The Company has reserved 358 items reserved by the Government of India and instituted liberalized payment terms in order to enhance their liquidity to tackle multiple long-term projects smoothly.

The Company is registered with registered Public Procurement Policy Monitoring Portal MSME Sambandh' and 'MSME Samadhaan' and adopted Trade Receivable Electronic Discounting System (TReDs), a payment system introduced by the Government of India to ensure timely payment to MSEs immediately after the acceptance of their bills on a discounting system

VENDOR DEVELOPMENT MEETS

To strengthen the procurement cycle, vendors from various sections, especially from MSE and SC/ST sectors in line with the Government of India policies, your Company has participated in several meets, webinars and programmes organized by Confederation of Indian Industry (CII), Society of Indian Defence Manufacturers

(SIDM) etc. during the year.

As a part of vendor development program, the Company organized vendor meets during the year viz. Virtual Vendor Meet on the occasion of Vigilance Awareness week and Vendor Development Programs for guiding, training and sensitizing TCL vendors on GeM.

INTEGRITY PACT

The Company has adopted Integrity Pact for procurement transactions/contracts above Rs 5.00 Cr, in line with the directives of MoD and Central Vigilance Commission. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer (TCL), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to the Pact, would be considered competent to participate in the bidding process.

Presently, Shri Sunil Jain, and Shri V.B Kumar are the Independent External Monitor (IEM) for monitorin, implementation of Integrity Pact in the Company. During the year 2021-22, 09 contracts having value more than Rs. 5 Cr were covered under Integrity Pact and reviewed by the IEM and none of the Integrity Pact contracts attracted complaint/grievance of any nature. Further, no complaints were received by the IEM from any of the Company's vendors.

Research & Development (R&D)/ Technology Absorption

Post corporatization, TCL is striving on future sustenance by developing technologically advanced products through In-house R&D/ Make-II & IDEX routes. Post corporatization, following items which at present, are being imported by the India Army, have been developed:

- 7 Layered ECWCS
- Boot Multipurpose
- Boot Crampon
- Modular Gloves.

In addition to above, under Product Improvement category i.e. Coat Combat Light Weight in Digital Pattern, Combat Uniform in Digital Pattern with Antimicrobial

& NIR finish and Modular Light weight Load Carrying Equipment (MOLLE) have been developed.

Apart from the above-mentioned items, development of several other futuristic items such as SCME, ECC, Ballistic Protective Gears category are under different stages of development.

To augment the R&D activities and to strengthen the In-house R&D, TCL has signed MoU's with IIT Delhi and NIFT for providing the technical assistance in the field of technical textiles & ergonomic designing of garment/Equipment.

All the four units of TCL have dedicated infrastructure for the designing and development of products through In-house R&D efforts.

During the year, the expenditure of Rs. 16.75 Lakh was incurred by the Company under the R&D head against the revenue from operations of Rs. 575.72 Cr. (excluding GST) during the financial year 2021-22.

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

Government Company engaged in producing defence equipment are exempted to furnish the information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, limited information on Conservation of Energy and Technology Absorption is provided herein below:

Conservation of Energy

Steps taken by the Company to conserve energy:

- Creating awareness among the employees of TCL for adopting energy saving techniques and enriching the natural resources.
- Use of energy saving Equipments to the maximum possible extent.
- Mandatory use LED energy efficient lights for all

offices of factories and corporate Headquarter.

- All the production units of TCL are also ISO 50001:2018 for Energy Management System certified.

CONTRIBUTION TO DIO/IDEX

In order to foster innovation and technology development in Defence and Aerospace, "Innovations for Defence Excellence" (IDEX) has been launched by the Government of India. In line with MoD guidelines, Company identified two areas i.e. Designing of Thermal Agile mannequin to measure comfort parameters in simulated high altitude areas, & designing of portable Ballistic Protection Bunkers during FY 2021-22 for promotion of innovation and technology development for Defence Excellence.

INTELLECTUAL PROPERTY RIGHTS (IPR)

The Company already constituted Intellectual Property Rights (IPR) cell to promote invention, innovation and IPR awareness. Increased thrust was given towards generation of in-house IPR, supported by Mission Raksha Gyan Shakti, an initiative of MoD. During the year, TCL training academy and TCL units imparted training to 81 TCL vendor representatives and filed 07 IPR applications during FY 2021-22.

ARTIFICIAL INTELLIGENCE INITIATIVES

In line with MoD's thrust towards adoption and deployment of artificial intelligence ('AI') technology, the Company is exploring to enable AI based systems to build a vibrant AI ecosystem in the Troop Comforts range of items as well as processes. A dedicated team has been constituted to develop roadmap for AI enabled system for Ballistic Protection Gears and optimizing the assembly Line manufacturing system.

STARTUP INDIA

Startup India initiative of the Government of India aims to build a strong ecosystem for nurturing innovations and startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. In order to support the Government initiative and emergent magnitude of startups, two startup challenges under IDEX have been initiated.

QUALITY ASSURANCE AND QUALITY MANAGEMENT

The Company continues its commitment to maintain the quality in each and every product intended for Indian Armed forces and other stake holders with utmost customer satisfaction level. All the units of TCL are certified for Integrated Management System on ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and ISO 45001:2018 for Occupational Health & Safety Management System by respective certification bodies. The certification is for Design, manufacture of various Troop Comforts Items.

All the units of TCL have skilled & experienced QC inspection team, which is continuously engaged right from the inspection of incoming raw materials to the stage inspection as well as final inspection of the products, manufactured by TCL units. Time to time, they are trained in adopting updated inspection methodologies and best garment industry practices to ensure the consistency & reliability of quality products. The Company has emphasized on defect avoidance through awareness training, self-inspection and root cause analysis to identify appropriate corrective and preventive measures for achieving continual improvement, which in turn has led to cost reduction and reduction in rework involved in the Troop Comforts Items.

All the units of TCL have In-house latest NABL accredited Laboratories for testing each and every raw material sourced through trade and other sources to ensure that raw materials conforming to stipulated quality as per the Military Grade specifications, are being used in the manufacturing of end products.

The ISO implementation teams in each unit of TCL, coordinates in execution of risk management policy of its unit. Risks are discussed at different levels of management. High risk issues deliberated in the Performance Review Meetings of each unit are taken up for further deliberations and future action by the Board of Directors.

NATIONAL RECOGNITION / AWARDS

To promote the TCL range of products and newly

developed Import substitute items, TCL participated in the following exhibitions:

- Participation of TCL in the BIMSTEC nation exhibition held at Pune.
- Showcasing of TCL range of items, local vicinity, located in TCL units on the Occasion of Azadi Ka Amrit Mahotsav in the month of Dec. 2021.

HUMAN RESOURCE

Manpower

The total manpower strength as on 31st March, 2022 is 5882 including 71 Group A officers, 2091 Group B officers and 3720 Group C employees. Additionally, the manpower strength also includes 03 executives on fixed term basis.

The position regarding representation of SCs/ STs/ OBCs/PwBDs (i.e. Persons with Benchmark Disabilities) and women employees in various categories as on 01 Oct 2021 and 31 March 2022 is given in Annexure 'A'. The details of recruitment of SCs/STs/OBCs/PwBDs and women personnel are given in Annexure 'B'.

The reservation of 4% for recruitment of PwBDs has been provided in Group 'A', 'B', 'C' and 'D' categories in compliance with the 'Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995' and the 'Rights of Persons with Disabilities Act, 2016'.

Industrial Relations

Industrial relations remained cordial & harmonious and factories under TCL continued to work smoothly throughout the year. Multi-unions/Associations scenario continued in the Company. Meetings of participative fora such as Works committee meetings and Quarterly Productivity Council meetings with Employees' Unions and Associations were held at regular intervals. Overall industrial relations between the Management and Unions/ Associations continued to be peaceful and the Workmen Unions/Associations co-operated with the Management to work towards the common objectives of the Company. The Management has received full support of Unions/ Associations in operation during COVID-19 crisis, which deserve a special reference and appreciation. Grievance

Redressal Mechanism is in place in the Company to address Employee Grievances / Representations.

Development of Human Resource

The Company has always kept 'Learning & Development' in its priority list of activities as it believes that the key to survival, sustainability and growth in any competitive sector lies in continuous learning and development of the Human Resource. Learning & Development is the most important factor that contributes to increasing the efficiency, improving the product quality, adopting new technologies, catalyzing innovation, controlling cost and staying ahead of the competition in long run.

Due to COVID-19 pandemic, the Learning & Development infrastructure has been upgraded for achieving an uninterrupted e-learning platform. This enables our training academy to conduct online training programmes as per requirement at short notice. The employees were facilitated to attend the same through electronic devices. Total 3470 employee man-days were spent on in-house and online training.

Online Training Programs

During the year, 315 employees attended online programs through 67 Webinars on various subjects such as GeM, Public Procurement, IPR, MS office, HR related matters, Preventive Vigilance, Health, Clothing technology, Safety, EMS, Industry 4.0, Quality Management, commercial accounting, e-office, GST, AI, Marketing management, Quality design, Export Management, industrial Safety etc.

Theme based training programs were conducted for ensuring day to day safety, security and health of the employees. Refresher courses for newly promoted employees were also conducted online.

Technical Training Programs

Technical training programs aimed at improving the productivity and upgrading the skill sets of employees including in-house training program on various subjects were organized for the Yard employees.

Awareness programs on IPR

Special focus has been given on spreading awareness about innovative culture and Intellectual Property

Rights in the Company. 03 online training programmes on IPR were conducted.

Apprentice Training

In line with Skill India Mission of the Government, the Company has trained 433 apprentices during the year.

Women Empowerment

At TCL, women employees are treated at par with male employees and various guidelines promulgated for women workforce for achieving safer working environment are complied with. On the occasion of Women's Day, various awareness programmes like lectures on health issues of working women, seminar on women empowerment and debates etc were conducted to spread awareness. Various activities like poster, essay and slogan competition were organized and winners were felicitated.

Welfare, health and Safety

Welfare

The Company values its human resources the most. It continues to accord importance to welfare measures of employees. Compliance of statutory welfare provisions like providing canteen facility, employee rest room, first aid appliances, crèche, ambulance, etc. are followed meticulously. The Company is also providing welfare and safety items on as required basis.

The Company is committed towards the well-being of its employees and continues to extend the following welfare measures: -

- The Company celebrated International Women's Day with great zeal and enthusiasm by undertaking notable activities to embark the spirit of womanhood. Various activities were organized and winner participants were felicitated.
- Comprehensive Medical Assistance is provided through CGHS.
- Financial Assistance by way of relief is provided through contributory Employees Death Benevolent Fund to spouse or nominee of the employees in case of death of employee during service period.
- Incentives are granted for higher education and self-development in related skills, etc.

- e) CEA to the employees is granted as an incentive for pursuing higher education; and
- f) The Company also encourages employees to actively participate in various sports/tournaments.
- g) The Company has set up both indoor and outdoor Gymnasiums in the residential enclaves along with provision for sporting activities in the sports complex.

Health

The Company gives a high level of importance to health of the employees and relentless efforts have been put in to safeguard the health of workforce, by providing continuous medical care. Concerted efforts have been put in to provide a healthy work environment for the employees and to keep their families healthy and safe. Employees are also motivated to undergo preventive health checkups in external healthcare settings. The Company disseminates information on health, diseases and adopting preventive measures for healthy living and conducted COVID-19 awareness sessions through virtual mode.

COVID-19 Management & Response

Considering the seriousness of COVID-19, our Company proactively took several initiatives and measures to mitigate the pandemic and accentuate the nation's efforts to fight against COVID-19. Various camps were organized for vaccination of the employees against COVID 19. Multiple initiatives have been undertaken by the Company for smooth functioning without compromising on employees' safety. The Company adopted the following measures in line with the Government guidelines to support employees and their families: -

- a) Strict adherence to COVID-19 appropriate behavior norms.
- b) Distribution of hygiene kits like protective masks, shields, sanitizers etc. to employees;
- c) Avoiding physical meetings by promoting meetings through virtual platforms;
- d) Implemented staggered manpower deployment and staggered lunch breaks, whenever the situation warranted;

- e) Employees with co-morbidities, pregnant women and person with disabilities were advised to work from home during peak of COVID-19 cases;
- f) Providing necessary medical aid in case of COVID-19 infection and liaising with tertiary care center for admissions.

Safety

The Company continues to accord utmost importance to safety while carrying out various jobs and continuously strives to achieve the objective of 'zero accidents'. The Company has dedicated Safety Cell at its establishments with qualified and trained personnel. The Safety Cells have been carrying out regular safety audits (internal as well as external) and safety inspections and has also brought safety awareness through different activities such as conducting safety training programs, firefighting training programs etc. Safety posters, safety messages, SOPs are displayed at various locations. Central Safety Committee meeting & Shop Safety Committee meeting are being held quarterly & monthly respectively to work out and implement both preventive and corrective actions. Issues regarding safety and health are discussed during these meetings with the active participation from employees of various sections. The executives, supervisors and workmen are also taking safety precautions/measures resulting in prevention of reportable and non-reportable accidents.

INDUSTRIAL SECURITY

The security of factories except OCF, Avadi has been entrusted with Defence Security Corps (DSC) which is headed by senior army officer of the rank of Lieutenant Colonel /Colonel. The security of the TCL HQ, OCF, Avadi and TCL Training Academy is entrusted to PSGs.

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

In pursuance of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Committees for enquiring into complaints of sexual harassment at workplace have been constituted in factories, TCL Training Academy and TCL HQ. The Internal Committee

is headed by a senior woman executive and has an external member who is a person familiar with the issues relating to sexual harassment. During FY 2021-22, the Company did not receive any complaint on sexual harassment, hence, there is NIL disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Awareness programs to sensitize the employees were organized during the year.

SWACHH BHARAT ABHIYAN

The Company continues to provide its wholehearted support to the Government 'Swachh Bharat Campaign' and accelerated the activities at various levels. During FY 2021-22, 'Swachh Bharat Pakhwada' was carried out from 01 Dec 2021 to 15 Dec 2021, in which display of posters, banners & signboards in the public places, Shramadan drive, tree plantation drive, children's park, fogging /pest control activities were undertaken. On the occasion of Gandhi Jayanti, Swachhta Pledge was administered to all the employees and cleanliness drive was undertaken inside the factories and estate and other offices under TCL.

OFFICIAL LANGUAGE IMPLEMENTATION

Your company is committed to adhere to the Official Language Policy of the Government of India and instruction issued by the Department of Official Language, Ministry of Home Affairs (MHA) from time to time and made concerted efforts for promotion and implementation of Official Language. The Company has made efforts to achieve targets laid down in the Annual Programme regarding use of Hindi in official work and is compliant with online submission of quarterly reports.

The Company has celebrated first Hindi Week from 14th Sep, 2021 to 21st Sep, 2021. On occasion of Vigilance Awareness Week, National Safety Week, Quami Ekta Week, Energy Conservation Week and Swachh Bharat Abhiyan various competition were conducted in Hindi to promote Official Language.

IMPLEMENTATION OF RTI ACT, 2005

The Company confers special emphasis on implementation of the Right to Information Act, 2005

('RTI Act') in letter and spirit. The applications received from the citizens of India as well as transferred applications from MoD under Section 6(3) of the RTI Act were responded to within the prescribed statutory requirement. From 01.10.2021 to 31.03.2022, the Company received 226 RTI applications and the information was furnished in time. 41 RTI applicants preferred an appeal before the Appellate Authority under Section 19(1) of the RTI Act and the same were disposed of accordingly. There were no cases pending as on 31 Mar 2022 before the Central Information Commissioner for the RTI applications filed for the year 2021-22.

The particulars as prescribed under Section 4 of the RTI Act have been posted on the website of the Company www.troopcomfortslimited.co.in.

VIGILANCE ACTIVITIES

Preventive Vigilance & Systemic Improvements have been the thrust areas of Vigilance Department to ensure transparency, fairness & probity in all transactions and processes of the Company. During year 2021-22, a number of regular inspections and surprise checks were carried out in various areas with the aim of intervening in time to preclude lapses/violations of instructions and guidelines of Central Vigilance Commission ('CVC'), if any. The required sensitization program on vigilance matters and formal training on 'Preventive Vigilance' were imparted to employees at various level as per CVC mandate on the subject.

As per directives of CVC, 'Vigilance Awareness Week 2021' was observed from 26th Oct 2021 to 01 Nov 2021. During the week, various in-house & outdoor activities such as essay writing, poster making & slogan writing competition were organized for TCL employees to promote integrity, transparency and accountability in public life as well as to create awareness on corruption and its ill effects.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under the DPE Guidelines on Corporate Governance for CPSEs is placed at **Annexure 'C'** to this Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activities carried out by the Company and continues to lay strong emphasis on transparency, accountability and integrity. A detailed Report on Corporate Governance as per the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE vide OM No. 18(8)/2005-GM dated 14.05.2010 along with Compliance Certificate from the Practicing Company Secretary is placed at Annexure 'D' hereto. As per the Self-evaluation Annual Grading Report on Corporate Governance for FY 2021-22, the Company is process of evaluation grading.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards 1 relating to 'Meetings of the Board of Directors' issued by the Institute of Company Secretaries of India. As per provision of Companies Act, 2013, Constitution and meetings of Audit Committee, Meeting of Independent Directors, Nomination & Remuneration Committee are not applicable during the financial Year 2021-22. There was no General Meeting held during the financial finance year 2021-22. Hence, Secretarial Standard-2 relating to General Meeting was not applicable on TCL.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

The Company, as Social Responsible Corporate has believed in contributing toward the goal of achieving sustainable and equitable developments in society. Being the first year of incorporation, the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, relating to the constitution of the CSR Committee and CSR expenditure were not applicable during the financial year 2021-22 and Company did not earmark any funds for CSR.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There were no related party transactions entered during the financial year 2021-22. There were no materially

significant related party transactions entered into by the Company, which may have a potential conflict of interest of the Company. Hence, the disclosure of Related Party Transactions in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 is not attached with the Directors' Report.

WHISTLE BLOWER POLICY

Your Company believes in the conduct of affairs in a fair and transparent manner by adopting highest standard of professionalism, honesty, integrity and ethical behavior. Troop Comforts Limited has formulated a Whistle Blower Policy with a view to provide a mechanism for employees of the Company to approach the chairman of Audit Committee of TCL.

COPY OF ANNUAL RETURN

In accordance with the provisions of Section 92(3) and 134(3) of the Companies Act, 2013, a copy of the Annual Return for the year ended 31 Mar 2022 is placed on the Company's website, which can be accessed through www.troopcomfortslimited.co.in under Corporate Governance.

PARTICULARS OF EMPLOYEES

In accordance with Gazette Notification No. 463(E) dated 05 Jun 2015 issued by Ministry of Corporate Affairs, Government of India, Government Companies are exempted from Section 197 of the Companies Act, 2013 and rules thereof.

BOARD OF DIRECTORS

As on 31st March, 2022, Board of Directors of the Company consisted of four whole time director including Chairman & Managing Director, One Government Nominee Director.

Change in Board of Directors

The following appointments/cessation on the Board of your Company were effected as the directives of the Hon'ble President of India:

- a) Mr. Santosh Kumar Sinha, (Chairman & Managing Director), Mr. Atul Gupta Director (Operations), Maj Gen Ravi Rajeshkhar Patil Director (HR) and Dr. Sanjeev Kumar Saxena Director (Finance) were appointed as whole-time functional director of the

Company since its incorporation i.e. 16th August, 2021 vide MOD, DDP Letter No. PC-I to 1(5)/2021/OF/DP/(Plg-V) dated 4th August, 2021. However, due to non availability of Director Identification Number of Dr. Sanjeev Kumar Saxena, he was inducted in Board with effect from 15th September, 2022.

- b) Mr. Chandraker Bharti, Joint Secretary, Department of Defence Production, MoD was nominated as Government Nominee Director on the Company's Board vide MOD, DDP letter No.8(32)/2019-D(Coord/DDP) dated 30/11/2021 and ceased to be Government Nominee Director w.e.f. 14th September, 2022.
- c) Mr. Rajeev Prakash, Joint Secretary, Department of Defence Production, MoD was nominated as Government Nominee Director on the Company's Board vide MOD, DDP letter No. 8(32)/2019-D(Coord/DDP) dated 14th September, 2022

The Board welcomed the appointment of Mr. Rajeev Prakash. A brief resume of newly appointed Director is placed before **Annexure-D** to this report. The Board placed on record its deep appreciation of the invaluable support, contribution and guidance provided by Mr. Chandraker Bharti during their tenure.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTOR

TCL was incorporated on 16th August, 2021 and commenced its business operations w.e.f. 01st October, 2021. The provision relating to appointment of Independent directors were not applicable during the financial year 2021-22. There was no independent director(s) appointed. Hence no declaration of independence by Independent Director was provided as per the provisions of Section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD

During the financial year 2021-22, Eight (08) Meetings of the Board of Directors were held. For further details, please refer to Report on Corporate Governance placed at **'Annexure D'** to this Report.

REMUNERATION POLICY AND EVALUATION OF BOARD'S PERFORMANCE

In the term of Ministry of Corporate Affairs Notification No. GSR 463(E) dated 5th June, 2015, Government Companies are not required frame a Policy on Directors' appointment and remuneration under section 178(3) of the Companies Act, 2013. Your Company being a Government Company under administrative control of Ministry of Defence, the appointment, tenure and remuneration of Directors of the Company are decided by the Government of India. Article 86 and 88 of the Articles of Association of the Company state that the President will appoint Directors and determine their remuneration.

Government Nominee Director is not paid sitting fees or any other remuneration. Since the Board level appointments are made by the Government of India, the evaluation of performance of such appointees is also done by the Government of India as per its own evaluation methodology. For further details, please refer to Report on Corporate Governance placed at **'Annexure D'** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors in terms of Section 134 of the Companies Act, 2013 state that:

- a) in the preparation of the annual accounts for the year ended 31 Mar 2022, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- b) they had selected such accounting policies and applied consistently and made judgements 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 31st March, 2022 and of the profit of the Company for the year ended 31st March, 2022;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the

Company and for preventing and detecting fraud and other irregularities;

- d) they had prepared the annual accounts on a going concern basis;
- e) the Company had put in place adequate internal financial controls with reference to financial statements; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

AUDIT COMMITTEE

The provision of section 177 of Companies Act, 2013, relating constitution of Audit Committee was not applicable during the financial year 2021-22.

RISK MANAGEMENT

Being its first year of incorporation, the company has identified key risk areas for each aspect and function of the company and taken the necessary steps to assess, mitigate, and manage them in a proper manner. However, a comprehensive Risk Management Policy is in process of formulation with the objective to enable company to adopt a process of identification of risk, quantifying and managing it as well on an ongoing basis and to implement a structured and comprehensive risk management system.

INTERNAL FINANCIAL CONTROLS

Your Company has robust design, implementation and maintenance of adequate internal financial controls in place. For ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, as required under the Companies Act, 2013.

STATUTORY AUDITORS

Pursuant to section 139(7) of the Companies Act, 2013, Comptroller Auditor General of India ('C&AG') has appointed M/s V.P. Aditya & Co. (firm Reg. No. 000542C)

Chartered Accountant, Kanpur Uttar Pradesh as Statutory Auditors to audit the financial Statement of the Company for financial year 2021-22.

The details regarding qualification, observation and remark of Statutory Auditor are more specifically covered in the Independent Audit Report.

COST AUDITORS

As per provision of section 148 of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, appointment of Cost Auditors was not applicable on company during the financial year 2021-22. Hence, Company did not appoint practicing Cost Auditor to conduct audit of cost records of company.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ankit Misra & Co., Practicing Company Secretary, Kanpur Uttar Pradesh (Firm Registration No. S2020UP749900) was appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit Report submitted by Secretarial Auditor is annexed to this Report as Annexure 'E' and forms part of this Report.

The management reply on qualification, observation and remark of Secretarial Auditor are more specifically covered in the Annexure 'F'.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

In terms of Gazette Notification No. GSR 463(E) dated 05 Jun 2015 issued by Ministry of Corporate Affairs, Government of India, the Company being a Government Company engaged in Defence production is exempted from the provisions of Section 186 of the Companies Act, 2013.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b) There has been no change in the nature of business of the Company.
- c) No significant and material order were passed by the regulators or courts or tribunals impacting the going concern status and Company and Company's operations in future.
- d) There has been no material changes and commitments affecting the financial position of the Company between the end of the financial year.
- e) There was no Annual General Meeting or Extra-Ordinary General Meeting was held during the Financial Year 2021-22.

ACKNOWLEDGEMENT

The Board of Directors is extremely thankful for the continued patronage and gratefully acknowledge the valuable assistance and guidance received by the Company from various Ministries of the Government of India, especially Ministry of Defence, Department

of Defence Production, the Integrated Headquarters (Navy)/MoD, Government of Uttar Pradesh and Tamil Nadu.

The Directors are also thankful for the valuable advice rendered by and co-operation received from the Comptroller and Auditor General of India, Statutory Auditor, Defence Accounts Department (DAD) and the Department of Public Enterprises.

The Directors are immensely thankful to the Company's clients and shareholders for the trust and confidence reposed in the Company. The Directors gratefully acknowledge the wholehearted support and co-operation extended by the Company's suppliers, Government Authorities, Auditors, Bankers and security personal.

Directors sincerely appreciate the invaluable contribution, committed services by all employees of the Company for its continued progress and exhibiting grit, determination and resilience shown post corporatization. The Directors look forward to their continued support and participation to propel the Company to greater heights in the coming years.

For and on the behalf of Board of Directors

Sd/-

(Santosh Kumar Sinha)

Chairman & Managing Director

DIN: 09282633

Date: Feb 09, 2023

Place: Kanpur, U.P.

ANNEXURE 'A' TO DIRECTORS' REPORT

STATEMENT SHOWING THE POSITION REGARDING REPRESENTATION OF SCHEDULED CASTES/ SCHEDULED TRIBES/OTHER BACKWARD CLASSES/PERSONS WITH BENCHMARK DISABILITIES AND WOMEN EMPLOYEES IN THE VARIOUS CATEGORIES OF POSTS AS ON 01.10.2021 AND 31.03.2022

CLAS- SIFICA- TION OF POSTS	AS ON 01.10.2021							AS ON 31.03.2022						
	TOTAL STRENGTH	NO. OF EM- PLOYEES BELONGING TO SCHED- ULED CASTES	NO. OF EM- PLOYEES BELONG- ING TO SCHED- ULED TRIBES	NO. OF EM- PLOYEES BELONG- ING TO OTHER BACK- WARD CLASSES	NO. OF EMPLOYEES BELONGING TO PER- SONS WITH BENCHMARK DISABILITIES CATEGORY	WOMEN EMPLOY- EES*		TOTAL STRENGTH	NO. OF EMPLOYEES BELONG- ING TO SCHEDULED CASTES	NO. OF EM- PLOYEES BELONG- ING TO SCHED- ULED TRIBES	NO. OF EM- PLOYEES BELONG- ING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH BENCHMARK DISABILITIES CATEGORY	WOMEN EMPLOYEES*	
						No	%						No	%
Permanent														
Group 'A'	95	13	6	14	1	14	14.73	71	10	6	14	1	5	7.04
Group 'B'	2146	525	63	328	34	196	9.13	2091	488	64	335	32	182	8.70
Group 'C'	3866	1295	46	1023	71	933	24.13	3720	962	42	1022	71	919	24.7
Group 'D'	0	0	0	0	0	0	0.00	0	0	0	0	0	0	0.00

* As per directions from Ministry of Defence, Deptt. of Defence Production and Supplies, New Delhi, vide their letter No.39(6)/99/D(B&C) dated 27.08.1999, to include information on employment of women, based on the recommendations of National Commission for Women.

ANNEXURE 'B' TO DIRECTORS' REPORT

STATEMENT SHOWING THE PARTICULARS OF RECRUITMENT MADE 01.10.2021 to 31.03.2022, THE NUMBER FILLED BY MEMBERS OF SCs, STs, OBCs, PwBDs AND WOMEN PERSONNEL, REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION

CLASSIFICATION OF POSTS	TOTAL NO. OF VACANCIES FILLED DURING THE YEAR	SCHEDULED CASTES		SCHEDULED TRIBES		OTHER BACKWARD CLASSES		PERSONS WITH BENCHMARK DISABILITIES		WOMEN PERSONNEL RECRUITED*	REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION
		VACANCIES RESERVED	VACANCIES FILLED#	VACANCIES RESERVED	VACANCIES FILLED#	VACANCIES RESERVED	VACANCIES FILLED#	VACANCIES RESERVED	VACANCIES FILLED#		
Permanent											
GROUP 'A' (including Fixed Term Officers)											
GROUP 'B'											
GROUP 'C' (including Fixed Term Employees, ITI and Diploma Trainees)											
GROUP 'D' (including Fixed Term Employees)											

TCL is in the process of finalizing its final organizational structure. Currently all employees are government employees on deemed deputation.

* As per directions from Ministry of Defence, Deptt. of Defence Production and Supplies, New Delhi, vide their letter No.39(6)/99/D(B&C) dated 27.08.1999, to include information on employment of women, based on the recommendations of National Commission for Women.

including previous year vacancies

Annexure-C

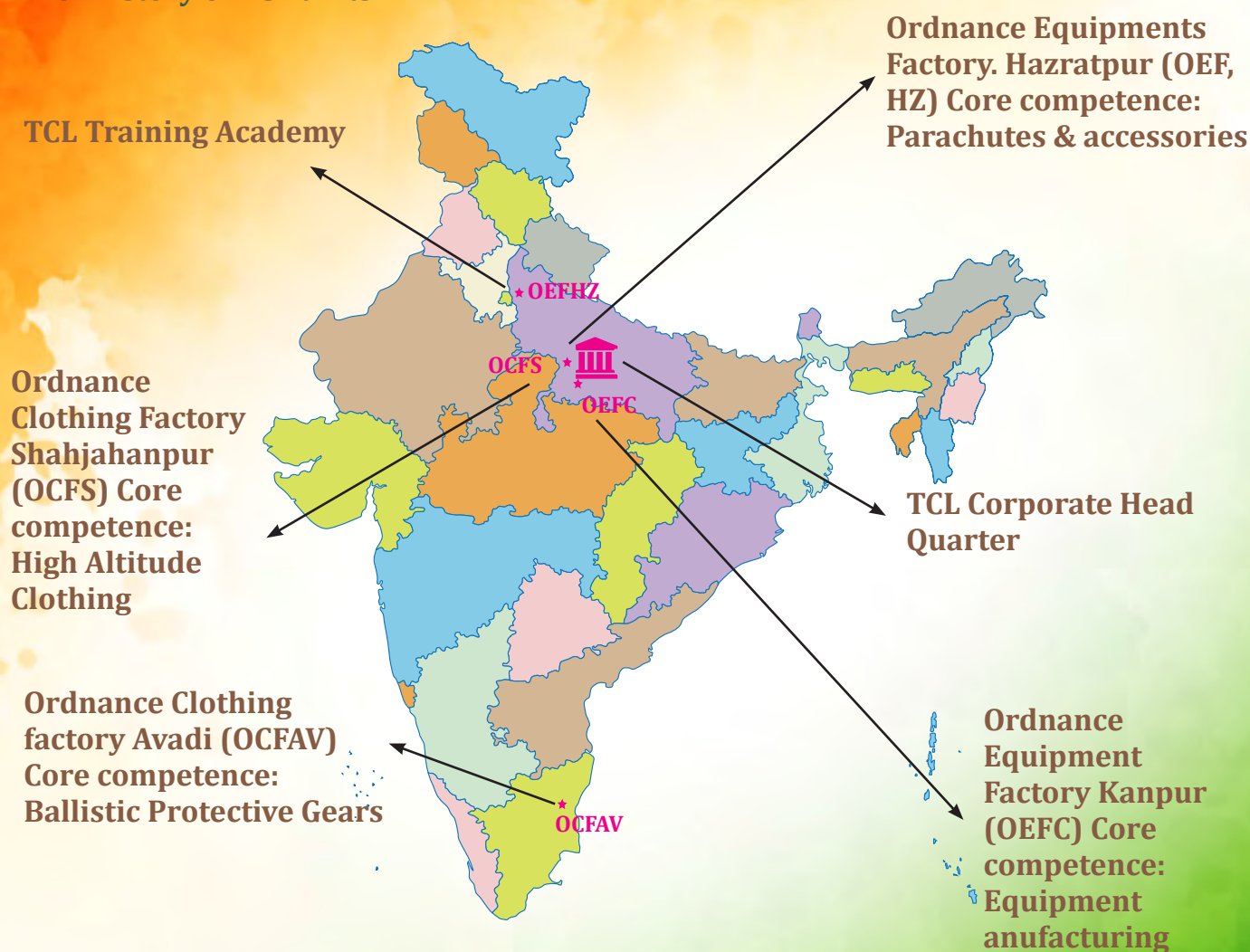
MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR FY 2021-22

ORGANISATION STRUCTURE

Troop Comforts limited is a newly formed Defence Public Sector Enterprise under the Department of Defence Production of Ministry of Defence, Government of India with its corporate office at Kanpur. TCL incorporated on 16th August 2021 under the companies Act, 2013(18 of 2013) with 100 % equity share held by Government of India. Its authorized share capital is Rs. 40,000,000,000 and its paid up capital is Rs. 52,12,00,000.

TCL is a conglomerate of four manufacturing units (OEF, Kanpur, OCF Shahjahanpur, OCF Avadi, OEF, Hazratpur & a Training Institute TCLTA). TCL has vast exposure and dedicated infrastructure for catering the requirements of Indian Army, IAF, Indian Navy and MHA forces & providing solutions in the field of Life Cycle Clothing, Special Clothing for Cold Climate & Mountaineering Equipments, Ballistic Protection Gears. The solutions are being provided to take care the ambient temperature range of +500 C to -500 C (Desert to Glacier).

Brief History of TCL units:



Ordnance Equipment Factory Kanpur	Ordnance Clothing Factory Shahjahanpur	Ordnance Equipment Factory, Hazratpur	Ordnance Clothing Factory Avadi
Established in 1859	Established in 1914	OFB took over the factory in 1983	Established On 10th November 1961
Named as Harness & Saddlery Factory in 1880 1969 – Factory rechristened as ORDNANCE EQUIPMENT FACTORY KANPUR Core-Competency: High Altitude equipment, Special Clothing & Mountaineering Equipment	Core-Competency: High Altitude Garments	Production of Tentages and various Equipment's started since 1984 Core-Competency: Supply Drop Equipment	Core-Competency: Ballistic Protection Gears

PRODUCTS AND SERVICES

It is involved in manufacture of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC), Special Clothing

& Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tentages, Leather Items, Arrester Barrier, General Stores, etc. for Defence Services and Civil Sector.

Life Cycle Clothing	Ballistic Protective Gear	Extreme Cold Climate and Special Clothing & Mountaineering Equipment	Arrester Barrier/ Supply Drop Equipment's	Tents & accessories
Coat Combat Disruptive with IA Logo	Bullet Resistant Jacket of various NIJ threat Level	Extreme Cold Weather Clothing System	MENA 30 & 40	TEFS 4M with Mild Steel Joints & Flooring with FMUB
Overall Combination Disruptive Pattern with IA Logo	Bullet Resistant Vest of various NIJ threat Level	Coat ECC	ECAD parachute 8.5 M Complete with Pack	TEFS 2M with Mild Steel Joints & Flooring with FMUB
Combat Uniform Jacket & Trouser with Logo	Ballistic Helmet of NIJ level IIIA	Poncho Glacier	Set Harness Webbing type SOM strap 6.10 M	Tent Arctic (Large, Medium, Small)
Improved Combat Kit (Pack, Haversack, Pouches, Frog Bayonet, Belt)		Cap Glacier & Cap Balaclava	ECAD Parachute 8.5M cotton line static 6.1M	-
Boot (Boot High Ankle DVS, Safety Shoes, Electric Shoes)		Trouser/Jacket Wind Cheater	PCAD for AN-32	
Ceremonial Uniforms			Skid Board Ml-8.	

SWOT ANALYSIS

In the changing environment from Government entity to Defence Public Sector Undertaking, Company has identified following to be its strengths, weaknesses, opportunities and threats:

Strengths

- (a) More than 160 years of expertise under the ambit of Govt. of India in Troop Comforts items with diversified products to provide the combat solution in Troop Comfort items from Desert to Glaciated regions.
- (b) In-house R&D capabilities, has led to development of Import substitute items under new product category as well as development of improved products
- (c) Highly skilled work force with ability to absorb and adopt improvements/new technologies. On the job training and special training sessions for acquisition of new skills are imparted to keep the workforce abreast with emerging technologies,
- (d) Successful implementation of e-procurement system and incorporation of such other advancements in IT in the day-to-day working of the Company as well as in Cyber Security to protect the IT Infrastructure.
- (e) Quality conscious, ISO 9001:2015, 14001:2015 and 45001:2018 Company.
- (f) Cohesive management communication network.
- (g) Good industrial relations.

Weaknesses

- (a) Higher overheads contributions in the total cost of production.
- (a) Obsolescence of some of current product range of TCL.
- (a) Lack of Public brand image of the Company.
- (a) Lack of Channel partner's/Business partners for domestic sales and export.

Opportunities

- (a) Providing Import substitute solutions to ex-import items, which are presently imported by Indian Army.
- (b) Exploring export potential with friendly nations and support by the Government of India for expanding realm of exports for TCL range of products.
- (c) Emerging opportunities in the development of Ballistic Protection Gears.
- (d) Exploring new customers through branding of products for commercial market.
- (e) Establishing the assembly Line manufacturing system for all the products to reduce the cost of production.

Threats

- (a) Increased competition in the Troop Comforts items, due to declaration of all the items as non-core by the Armed forces/MoD.
- (b) Stiff price competition in market.

RISKS AND CONCERNS

Risks and concerns are an integral part of any business, Your Company has developed an appropriate risk management framework to monitor, identify, assess and mitigate risks that may potentially impact the Company's performance. The major risks and concerns to the Company are:

- (a) Major dependence on few customers i.e. Indian Army contributing to almost 95% of the orders for TCL.
- (b) Requirement for augmentation of IT infrastructure including Software/ERP system aligning with advancement in technology.
- (c) Uncertainties on the part of suppliers and subcontractors affecting the timely delivery of raw materials and completion of job works entrusted to them.
- (d) Increased competition specially from unorganized sector influencing maintenance of cost

competitiveness and sustenance of customers for TCL range of items.

MAJOR INITIATIVES UNDERTAKEN AND PLANNED TO ENSURE SUSTAINED PERFORMANCE AND GROWTH

The following are the initiatives taken to ensure sustained performance and growth:

- Diversification of Products by developing niche products in a time bound manner and emphasizing on Import substitute solutions to Indian Army.
- Modernization activities to modernize our production facilities in line with the world leading manufacturers of Clothing & accessories.
- Penetrating into Export market for selective range of products with customized designing as per the international market requirements.
- Launching of products in the Civilian Market through e-commerce sites under the new brand logo of TCL.
- With the launch to new brand logo for commercial purpose, several Military grade premium quality items will be available on e-commerce sites like Amazon, GeM etc.
- The process for procurement of the new ERP product and its System integrator has been initiated and is under progress.
- Marketing & Business Development: In order

to further strengthen the order book position and in line with growing thrust on export by the Government of India, the following initiatives were taken towards marketing and business development:

- In order to publicize our expertise and improve exposure in the international market and to identify various business opportunities, the Company participated in defence exhibitions viz. BIMSTAC Nations
- For exploring the international market for TCL range of products, Chanel partners for Nepal, Kingdom of Morocco, European countries, North America and Africa have been appointed.

Your Company continues its efforts in securing the orders at domestic and international level and has been bidding aggressively for RFP's being floated by Indian Army, Indian Air force & MHA forces and is endeavoring its efforts on import substitute solutions to Indian Army. The Company is focusing on emerging business opportunities and develops new products / aggregates to align with market requirements. Considering the healthy order book position and expected orders, the future outlook of the Company is bright and encouraging.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The details regarding Internal control system and its adequacy are more specifically covered in the Directors' Report.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Performance Highlights of the Company during the year ended 31 Mar 2022 are as follows:

(Rs. In Crore)

Particular	2021-22
Revenue from operation	575.72
Earnings before Interest, Taxes & Depreciation	36.19
Less: Finance Cost	-
Less: Depreciation	13.15
Less: Exceptional Item	-
Profit Before Tax	23.04

Particular	2021-22
Less: Tax Expenses	6.66
Profit After Tax	16.38
Other comprehensive Income	-
Total comprehensive Income	16.38
Net Worth	4573.67
Inventory	103.92
Trade Receivables	18.98
Earnings Per Shares (EPS)(in Rs.)	Basic EPS 686.47 and Diluted EPS 0.04
Dividend (%)	-

SEGMENT-WISE PERFORMANCE

The Ministry of Corporate Affairs, Government of India vide Notification No. S.O. 802(E) dated 23 Feb 2018 has exempted companies engaged in defence production from disclosure requirements with regard to the Accounting Standard on segment reporting. Hence, the segment-wise/ product-wise performance is not appended to this Report.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The details regarding Human Resource Development, Industrial Relations and Manpower Strength are more specifically covered in the Directors' Report.

ENVIRONMENTAL PROTECTION AND CONSERVATION

The Company is least polluting company and continues to show its commitment to improvement, conservation,

and protection of the environment, paying special attention for the planting and preservation of trees. Your company's headquarters had approximately 60% forest cover, and factories have planted trees on various occasions. The company's factory premises and residential colonies for employees have good forest cover.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Relevant Information in this regard is disclosed in the Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

Relevant Information in this regard is disclosed in the Directors' Report.



**COAT COMBAT
(LIGHTER PATTERN)**



RUCKSACK 90 LTRS



**AIRBORNE
RUCKSACK 70 LTRS**



**JACKET & TROUSER
COMBAT P. C. DISRUPTIVE
WITH INDIAN ARMY LOGO**



**COAT COMBAT
DISRUPTIVE
WITH INDIAN
ARMY LOG**



**DUFFLE TROLLEY
BAG**



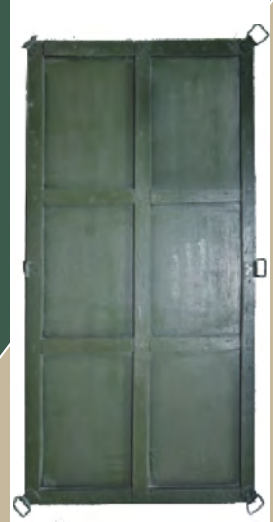
**BULLET RESISTANT JACKET
(BHABHA KAVACH)**



**BULLET RESISTANT
JACKET (BRJ)**



**BULLET RESISTANT JACKET
(NIJ LEVEL IV)**



SKID BOARD



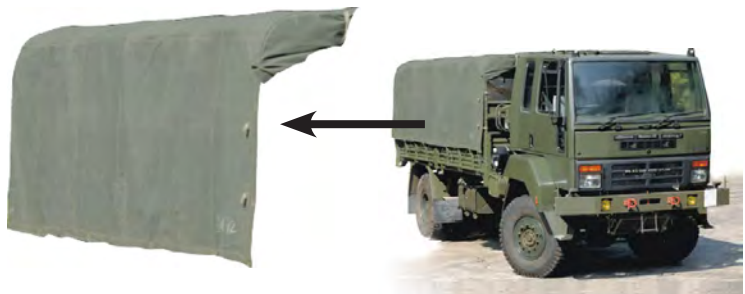
TENT ARCTIC SMALL



WATER TANKS 6140 LTRS.



CARGO PLATFORM



CANOPY TOP



TACTICAL KNEE & ELBOW PAD



CHAGUL 3 LTRS.



**WATER TANKS
230 LTRS.**



ROCK PITON



BOOT CRAMPON



ICE PITON



LIGHT WEIGHT SLEEPING BAG (-50°C)



AVALANCHE ROD



JUMAR ASCENDER



HAMMER PITON



TENT ARCTIC MEDIUM MK-II



**TENT EXTENDABLE
FRAME SUPPORTED
(TEFS)**



OVERALL WINTER FOR AFV CREWS



**EXTREME COLD WEATHER
CLOTHING SYSTEM (ECWCS)**

Annexure-‘D’ to Directors’ Report

CORPORATE GOVERNANCE REPORT FOR FINANCIAL YEAR 2021-22

The Report on Corporate Governance along with Compliance Certificate from the Practicing Company Secretary, Secretarial Auditor of the Company, as per the Guidelines on Corporate Governance for CPSEs 2010 issued by the Department of Public Enterprises, Govt. of India (‘DPE Guidelines’), vide DPE’s OM No.18(8)/2005-GM dated 14 May 2010, is given below:

PHILOSOPHY ON CORPORATE GOVERNANCE

1. It is the constant endeavor of your Company to maintain the highest standards of ethics in all spheres of business activities. Your Company’s philosophy on Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures and legal compliances. It strives for transparency in decision making and to avoid conflict of interest. It also accords due importance to adherence to the adopted corporate values and objectives and discharging social responsibilities as a corporate citizen.
2. Keeping up its professional approach, your Company is implementing the precepts of Corporate Governance in letter and spirit. The Company has set itself a new mission with the objective of expanding its capacities and capabilities for becoming globally competitive in its business. The Company expects to realize its vision by achieving its goals of value creation, safety, environment and people.

BOARD OF DIRECTORS

3. The Board of Directors of the Company, headed

by Chairman & Managing Director, ensures that the Company has clear goals aligned with stakeholder’s interest and its growth. The Board oversees the overall functioning of the Company and gives strategic directions and seeks accountability for their fulfillment. The Board of Directors of the Company plays a pivotal role in ensuring good Corporate Governance.

Composition of Board of Directors

4. Troop Comforts Limited is a 100% Government owned Company under the administrative control of the Ministry of Defence (‘MoD’), DDP. The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013 (‘the Act’) and DPE Guidelines. Being a Government Company and as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India.
5. The Board of Directors of the Company comprises of Directors with diverse experience, qualifications, skills etc. which are aligned with the Company’s business, overall strategy, corporate ethics, values and culture. As on 31st March, 2022, the Board of Directors of the Company consisted of 04 Whole-Time Directors including Chairman & Managing Director and one Government Nominee Director.
6. Details of the Members of the Board during the period from 16th August, 2021 i.e. date of incorporation to 31st March, 2022 are given below:-

S. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of Other Directorship held	No. of Committee Membership in other Companies	
				As Chairman	As Member
1.	Shri Santosh Kumar Sinha IOFS, Chairman & Managing Director	09282633	Nil	Nil	Nil
2.	Shri Atul Gupta IOFS, Director (Operation)	09282635	Nil	Nil	Nil

S. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of Other Directorship held	No. of Committee Membership in other Companies	
				As Chairman	As Member
3.	Maj Gen Ravi Rajeshkhar Patil Director (Human Resource)	09282634	Nil	Nil	Nil
4.	Dr. Sanjeev Kumar Saxena, IOFS, Director (Finance)	09315421	Nil	Nil	Nil

Government Nominee Director:

5.	Shri Chandraker Bharti Government Nominee Director w.e.f. 30/11/2021	02599261	3	Nil	Nil
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7. As per DPE Guideline, there should be 02 Part-Time Non-Official (independent) Directors. However, Provision for appointment of Independent Director was not applicable during the financial year 2021-22. TCL Board pursuing with its administrative ministry (MoD) for appointment of Non-Official Independent Director, which is under consideration.
8. Shri Rajeev Prakash was appointed as a Nominee Director in place of Shri Chandraker w.e.f. 14th September, 2022 vide MoD, Department of Defence Production dated 14/09/2022.

Brief resume of newly appointed Director

Appointment during FY 2021-22-

9. **Shri Santosh Kumar Sinha** assumed charge of the post of Chairman & Managing Director of the Troop Comforts Limited with effect 16th August, 2021. He is Gold Medallist in B.Sc. Physics and also holds post graduate degree of M. Tech from Geophysics. He also has PGDM in Personnel Management.
10. He has been associated with Indian Ordnance Factories for over 34 years. He gained vast and diverse experience in all areas and various domains of Administration, Planning, Production and Supply Chain Management. He has worked in OFB Headquarter and many Ordnance Factories such as Gun & Sell Factory Cossipore, Vehicle Factory Jabalpur, Grey Iron Foundry Jabalpur & Ordnance Clothing Factory, Shahjahanpur in various capacities. At Ordnance Factory Board Kolkata, he was working as Deputy Director General, Quality Control Division. As a head of the QC Division, he

was instrumental in defining role of QA Agencies in OFs. He had also served Ordnance Factory Board as Deputy Director General in the Capacity of Head of Personnel and Industrial Relations department.

11. He has served as General Manager Ordnance Factory Dehu Road and Ordnance Factory Ambarnath where he gained experience in the production of Pyrotechnic Ammunition including various igniters and production of various brass, steel and aluminium Ammunition Hardware's.
12. Shri Sinha has also worked on deputation in Central Ground Water Board (CGWB) under Ministry of Jal Shakti. He had also extensively contributed to GOI's "Make in India" strategy by developing Manufacturing of various Ordnance and Ordnance Equipment, and had set roadmap for enhancing self-reliance & self-sufficiency through indigenization efforts for obsolescence management and for developing alternate technology leading to product improvement & reduction in cost.
13. **Shri Atul Gupta** has taken over as Director (Operations) of Troop Comforts Ltd with effect from 16th August, 2021. Prior to taking over as Director, Shri Atul Gupta was holding the post of General Manager, Vehicle Factory Jabalpur. He also headed Grey Iron Foundry, Jabalpur as General Manager.
14. Pursuant to completing B.Tech (Mechanical Engg) & M.Tech (Production Engg) from IIT Roorkee, Shri Atul Gupta acquired degree of MBA (Finance). He has worked in various capacities in OFB Headquarter and many Ordnance Factories such as Small Arms

Factory Kanpur, Machine Tool Prototype Factory Ambarnath, Ordnance Equipment Factory, Kanpur & Ordnance Clothing Factory, Shahjahanpur. At Ordnance Factory Board Kolkata, he was working as Deputy Director General, Material Management Division. As a head of MM Division, he was instrumental in transforming OFB's policy framework of Material Procurement.

15. He has rich experience of over 33 years in manufacturing of B-Vehicles, Gears, Gear Boxes, Transmission units of A & B Vehicles, Production Management of Clothing & Leather technology and Castings. In addition, he has vast experience in Contract Management, Information Technology, e-procurement & MIS.

16. **Major General RR Patil** assumed charge of the post of Director (HR) of the Troop Comforts Limited with effect 16th August, 2021 was commissioned into the Regiment of Artillery and has completed 36 years of distinguished service with the Indian Army, during which he has held a number of critical appointments in the field of operations, operational logistics, human capital enhancement, inventory management and administration of large organisations.

17. The officer has immense experience in working with multinational and multi-agency teams, which has provided him with deep insights into successful organisational cultures. He has had a number of tenures along the Northern, Western and Eastern borders of the country where he was responsible for stocking and feed-forward of supplies, ammunition, specialised clothing, air maintenance equipment and other important accessories for troops deployed on the Line of Actual control. He was part of a major force restructuring of the Indian Army including new raisings and relocation of existing formations, managing their equipment and logistics profile as the Deputy Director General in the Military Operations Directorate.

18. He has immense command experience in that he commanded an infantry division on the Western Front. As Major General Operational Logistics of the sensitive and critical Kolkata based Eastern Command of the Indian Army, the officer was involved in the execution of a host of projects in

varied fields such as land administration, arms and ammunition stocking and deployment, clothing and rations of frontline troops and integrating the logistics plan with the intent and operational directives of the Eastern Army Commander.

19. In his previous appointment as Additional Director of Strategic Communications, the officer was responsible for interface of the defence forces with print, electronic and social media.

20. **Dr. Sanjeev Kumar Saxena** an Indian Ordnance Factories Service (IOFS), 1989 batch officer, took over as Director (Finance) of TCL assumed his office w.e.f. 16th August, 2021. However, due non availability of Director Identification Number (DIN) he was inducted in Board as Director (Finance) with effect from September 15th 2021. Prior to that he was heading Materials Management & Indigenization functions at Heavy Vehicle Factory, Avadi, Chennai, under Ordnance Factory Board. He has 31 years of experience in Defence manufacturing. He also has rich experience at OF Board in Business Strategy, HR, R&D and Quality management functions. In addition, he was Director at National Academy of Defence Production, Nagpur.

21. Graduated in Mechanical Engineering from GECT, Raipur in 1986, he Post graduated (M. Tech) from IIT, Kanpur in 1988 and Post Graduate Diploma in Management from MDI, Gurgaon in 1998. He has been awarded Doctorate in Management by BITS, Pilani in 2017.

22. Shri Chandraker Bharti was appointed as Government Nominee Director of the Company w.e.f November 30, 2021. He is an engineering graduate from Delhi College of Engineering, joined the Indian Administrative Services in September 1996. He has also acquired M. Sc degree in Public Management & Policy from London School of Economics & Political Science, UK.

23. He has more than 25 years of experience in Civil Services and held various important assignments, which include Additional Commissioner, Department of Sales Tax, Govt. of NCT of Delhi; Director, Ministry of Commerce & Industry; Development Commissioner in various Government Departments such as Agriculture, Finance & Planning, Industries

& Commerce, Information Technology, etc. in the Union Territory of Pondicherry. He had also served for a short period at Health & Family Welfare and Environment & Forest Departments of Govt. of NCT of Delhi.

Further, he was also a Government Nominee Director in Bharat Broadband Network Limited for more than 2.5 years. He is also Government Nominee Director in Garden Reach Shipbuilders & Engineers Ltd.

Appointment after closure of FY 2021-22:

24. Shri Rajeev Prakash was appointed as Government Nominee Director of the Company w.e.f September 14th, 2022. has completed B.A. Honors in English from St. Stephen's College, University of Delhi and M.A. in Development Studies from the Institute of Social Studies, Erasmus University. He is a 1995 batch Indian Post & Telecommunication Accounts and Finance Service Officer (IP&TAFS).

25. He has a vast experience in the field of finance and held various important posts in the Government of India. Prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in June, 2022, he has worked as Deputy Director General (Wireless Planning & Finance), Department of Telecommunication, Ministry of Communication.

Director Shareholding

25. No Directors of Company held any shares of the Company as on 31st March, 2022.

Meetings of Board and Attendance

26. Board of Directors meet at regular interval to review of operational & financial performance, order position, formulate policies and strategies, internal control system, regulatory compliance. There were Eight (8) Board Meeting held during the financial year ended on 31st March, 2022 viz, 20th August, 2021, 15th September, 2021, 1st October, 2021, 18th October, 2021, 23rd November, 2021, 18th January, 2022, 14th March, 2022 & 31st March, 2022. The time gap between two board meeting was within time prescribed under Companies Act, 2013 and DPE Guideline. The details of attendance of Directors at Board Meetings are as under

S. No.	Name of Director	No. of Board Meetings held during respective tenure of Director	No. of Board Meeting attended
1.	Shri Santosh Kumar Sinha IOFS, Chairman & Managing Director	8	8
2.	Shri Atul Gupta IOFS, Director (Operation)	8	7
3.	Maj Gen Ravi Rajeshkhar Patil Director (Human Resource)	8	8
4.	Dr. Sanjeev Kumar Saxena Director (Finance)	7	7
5.	Shri Chandraker Bharti Government Nominee Director	3	2

*This is first year of incorporation of Company. Hence, No AGM was held during the FY 2021-22.

27. Notice of Board Meeting and agenda papers along with supporting documents are circulated among the directors in advance and as per provision of Companies Act, 2013. Its help Board Members to take well informed decision and structured discussion of agenda. The Board Members, with permission of Chairman may bring up important issue for consideration of Board. If necessary, senior management is also called to provide additional inputs to the items being discussed at the Board meetings. Further, presentations are made during the course of discussion wherever required for the information of the Directors. The Directors are provided with video-conferencing facility to enable them to attend/participate in Board Meetings. In case of exigencies, the meeting(s) is / are convened at shorter notice as provided under the Act.

Committee of the Board

28. There were no sub-Committees required to constituted under the provisions of Companies Act, 2013. Hence, no committees were constituted during the financial year 2021-22.

Appointment and Remuneration of Directors

29. TCL being a Central Government Public Enterprise, the appointment of Chairman & Managing Director and other Functional Directors of the Company is made by the Government of India. Their tenure, remuneration and other terms & conditions mentioned in respective appointment letter or Order. The Details of remuneration paid to CMD and Functional Directors for the financial year ended 31st March, 2022, are given below:

(Rs. In Lakh)

S. No.	Name of Director	Salary	Perquisite as per IT Rules	Contribution to GPF/ NPS/ DSOPF	Total
1	Shri Santosh Kumar Sinha IOFS, Chairman & Managing Director	12.42	0	5.40	17.82
2	Shri Atul Gupta IOFS, Director (Operation)	15.44	0	4.80	20.24
3	Maj Gen Ravi Rajeshkhar Patil Director (Human Resource)	14.15	0	3.00	17.15
4	Dr. Sanjeev Kumar Saxena Director (Finance)	16.65	0	3.00	19.65

30. Government Nominee Director is appointed by the President of India and he is not paid any remuneration or sitting fee.

31. There is no Part-Time Non-official (Independent) Director appointed by the President of India during the financial year 2021-22.

32. The Company does not pay any commission to its Directors nor issued stock options to its Directors

Evaluation Criteria

33. Since the Board level appointments are made by the President of India, evaluation of performance of Directors is also done by the Government of India.

COMMITTEE OF SUSTAINABLE DEVELOPMENTS AND CORPORATE SOCIAL RESPONSIBILITY (SD & CSR COMMITTEE)

34. Relevant Information in this regard is disclosed in the Directors' Report.

MEETING OF INDEPENDENT DIRECTORS

35. There is no Part-Time Non-official (Independent) Director appointed by the President of India during the financial year 2021-22. Hence, no meeting of Independent Directors was held.

GENERAL BODY MEETING

36. There was no Annual General Meeting or Extra-Ordinary General Meeting was held during the Financial Year 2021-22.

TRAINING OF BOARD MEMBERS

37. The Board has adopted a policy for training of Board members. As per the terms of the said policy, the Board members including Independent Directors are provided with the familiarization programme at the time of their induction to the Board to make them conversant with the business model, current operations, corporate plan and future outlook of the Company.

In addition, Board Members shall be nominated for external training, conferences, seminars and conventions etc. with premium institutions.

CODE OF BUSINESS CONDUCT AND ETHICS

38. The Company has formulated and adopted a code of Business conduct and ethics.

WHISTLE BLOWER POLICY

39. Relevant Information in this regard is disclosed in the Directors' Report.

AUDIT QUALIFICATION

40. The details regarding qualification, observation and remark of Statutory Auditor are more specifically covered in the Independent Audit Report.

RISK MANAGEMENT

41. Relevant Information in this regard is disclosed in the Directors' Report.

SHAREHOLDING PATTERN

42. The Shareholding pattern as on 31st March, 2022 is given below:

Sl. No.	Category of Shareholder	No. of Shares held	Amount of Shares held (Rs.)	% Of Shares held to Total Paid-up Capital
1.	Government of India President of India & Government nominee Shareholders	5,21,20,000	52,12,00,000	100.00%
	Total	5,21,20,000	52,12,00,000	100.00%

DEMATERIALIZATION OF SHARES AND SHARES TRANSFERS SYSTEM

43. The shares are held in Physical form, are transferable on the order of MoD, DDP, Government of India.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

44. Section 124 of the Act provides that any dividend that has remained unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account shall be transferred by the company to the Investor Education and Protection Fund ('IEPF') established by Central Government under Section 125(1) of the Act.

45. Accordingly, this is first year of incorporation of the Company and Board of Directors did not propose to declare dividend during the financial year. Hence, no amount relating dividend has been transferred to Investor Education and Protection Fund.

46. Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. There are no shares liable to be transferred to IEPF during FY 2021-22.

47. Further, Section 125 of the Act provides that no shareholder whose dividend/shares have been transferred to the IEPF shall be entitled to claim it back from IEPF on complying with the procedures laid down in this behalf.

MEANS OF COMMUNICATION

48. The Company's website www.troopcomfortslimited.co.in in English and Hindi provides comprehensive information including the details of the Company's business, products, services, facilities, management, human resources, recruitment, vendor registration, tenders, e-procurement, vigilance, RTI, and other updates and news. The 'Corporate Governance' tab on the Company's website contains annual reports, notices and announcements.

49. Notice of Annual General Meeting and Annual Report containing Financial Statements and Auditors' Report are circulated to members and others entitled thereto. As part of green initiative, the Company uses email to circulate the aforesaid documents to shareholders who have registered their email id with the Company and not opted for physical copies of Annual Report. The Annual Report of the Company, on placement before both the houses of Parliament is posted on the Company's website.

Declaration

As provided under the Guidelines on Corporate Governance for CPSEs 2010 issued by the Government, it is hereby declared that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of Goa Shipyard Limited for the year ended 31 Mar 2022.

For and on the behalf of Board of Directors

Sd/-

(Santosh Kumar Sinha)

Chairman & Managing Director

DIN: 09282633

Place: Kanpur, U.P.

Date: Feb 09, 2023

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Troop Comforts Limited
TCL Corporate Bhawan, G.T. Road
Kanpur 208013

Sir(s),

I have examined the compliance of the conditions of Corporate Governance by Troop Comforts Limited for the year ended March 31, 2022, as stipulated in the guidelines on corporate governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises (DPE).

The Compliance of conditions of the Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and

representations given by management, I certify that the Company has complied with aforesaid guidelines on corporate governance, subject to the following observations:

1. During the Audit Period, the non-functional Directors were less than 50% of the total Board Strength as required in clause 3.1.2 of the DPE Guidelines, 2010;
2. During the Audit Period the Company does not have Independent Directors as required in clause 3.1.4 of the DPE Guidelines, 2010;
3. The Company has not constituted audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010;

Provided however that, as per the Articles of Association of the Company, the power to appoint Directors vest with the President of India.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ANKIT MISRA & Co

Sd/-

ANKIT MISRA

Proprietor

CP No. 23471

Company Secretaries

Unique Code Number S2020UP749900

Peer Review Certificate Number 1447/2021

UDIN: A030650D002617652

Date: 05/12/2022

Place: Kanpur

Annexure-‘E’ to Directors’ Report

Form No. MR-3

SECRETARIAL AUDIT

FOR THE FINANCIAL YEAR ENDED 31st 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,
TROOP COMFORTS LIMITED
Kanpur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TROOP COMFORTS LIMITED (CIN: U18109UP2021GOI150744) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute, books, forms and returns filed and other records maintained by the company for the financial year ended on 31st 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; (Not applicable to the Company during Audit Period)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable for Government Company)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during Audit Period)

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are not applicable as the company is an unlisted Company.

(vi) Other applicable Laws:

- a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
- b) The Employees State Insurance Act, 1948;
- c) The Maternity Benefit Act, 1961;
- d) The Payment of Bonus Act, 1965;
- e) The Payment of Gratuity Act, 1972;
- f) Environmental Laws like The Water (Prevention and Control of Pollution) Act, 1974, The Environment (Protection) Act, 1986;
- g) Factories Act, 1948
- h) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

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

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

- (i) The Listing Agreement/Listing Regulation, (Not applicable to the Company during Audit Period as the Company is an unlisted Company);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;

- (i) *As the Company has been carved out from the Ordnance Factory Board (OFB) subsequent to the corporatisation of 41 Factories of OFB into SEVEN Defence Public Sector Undertaking (DPSU's) by Ministry of Defence, Government of India, so the factories license of the Four Factories of the Company are still held in the old name;*
- (ii) *Immovable Properties of the Company are yet to be mutated in the name of the Company;*
- (iii) *Copy of half yearly returns under Factories Act, 1948 were not available for inspection;*
- (iv) *Payment Challans for renewal of Factory License were not available for inspection.*
- (v) *During the Audit Period, the non-functional Directors were less than 50% of the total Board Strength as required in clause 3.1.2 of the DPE Guidelines, 2010;*
- (vi) *During the Audit Period the Company does not have Independent Directors as required in clause 3.1.4 of the DPE Guidelines, 2010;*
- (vii) *The Company has not constituted audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010;*

Provided however that, as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India.

For the compliances of Labour Laws & other General Laws, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my

opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

I further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

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

Decisions were passed with unanimous majority and recorded as part of the minutes.

I further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the extent applicable.

I further report that during the audit period, the Company has made right issue of equity shares to the existing shareholders on proportionate basis after complying with provisions of Companies Act made there under.

For ANKIT MISRA & Co

Sd/-
ANKIT MISRA

Proprietor

CP No. 23471

Company Secretaries

Unique Code Number S2020UP749900

Peer Review Certificate Number 1447/2021

UDIN: A030650D002613736

Date: 05/12/2022

Place: Kanpur

The details of Management reply on qualification, observation and remark of Secretarial Auditor as follows;

Secretarial Auditor Comments	Management Reply
As the Company has been carved out from the Ordnance Factory Board (OFB) subsequent to the corporatisation of 41 Factories of OFB into SEVEN Defence Public Sector Undertaking (DPSU's) by Ministry of Defence, Government of India, so the factories license of the Four Factories of the Company are still held in the old name;	Our one of the factory named Ordnance Clothing Factory, Avadi (OCFAV) got changed name in its factory License. Remaining three Factory Licenses are in process with concerned department. It is expected to be completed on or before end of this Financial Year 2022-23.
Immovable Properties of the Company are yet to be mutated in the name of the Company;	The mutation of land in favour of the Company is under process.
Copy of half yearly returns under Factories Act, 1948 were not available for inspection;	Copy of half yearly return under Factories Act, 1948 were received from factory and same was forward to secretarial Auditor.
Payment Challans for renewal of Factory License were not available for inspection.	It is important to mentioned that four factories of TCL have valid license as per provision of Factories Act, 1948.
During the Audit Period, the non-functional Directors were less than 50% of the total Board Strength as required in clause 3.1.2 of the DPE Guidelines, 2010;	As per Article of Association of the Company, the power to appoint Director(s) vests with Hon'ble President of India. However, Board has also requested to DDP for the nomination of Independent Director and Women Director vide letter TCL/Cor. HR/0290/Independent Directors dated 05/08/2022 and TCL/Cor. HR/0290/Independent Directors dated 05/01/2023
During the Audit Period the Company does not have Independent Directors as required in clause 3.1.4 of the DPE Guidelines, 2010;	As per Article of Association of the Company, the power to appoint Director(s) vests with Hon'ble President of India. However, Board has also requested to DDP for the nomination of Independent Director and Women Director vide letter TCL/Cor. HR/0290/Independent Directors dated 05/08/2022 and TCL/Cor. HR/0290/Independent Directors dated 05/01/2023.
The Company has not constituted audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010;	TCL could not constitute Audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010 due to vacancy of Independent Directors. As per Article of Association of the Company, the power to appoint Director(s) vests with Hon'ble President of India. However, Board has also requested to DDP for the nomination of Independent Director and Women Director vide letter TCL/Cor. HR/0290/Independent Directors dated 05/08/2022 and TCL/Cor. HR/0290/Independent Directors dated 05/01/2023.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Troop Comforts Limited

Report on the Audit of Indian Accounting Standards Financial Statements

I. Qualified Opinion

We have audited the accompanying Indian Accounting Standards ("Ind AS") financial statements ("FS") of Troop Comforts Limited (the "Company") (CIN:U18109UP2021GOI150744), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the period 16/08/2021 to 31/03/2022 and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion paragraph of our report, the aforesaid "Ind AS FS" give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2022 and its profit, changes in equity and its cash flows for the year ended on that date.

II. Basis for Qualified Opinion

II.1. BALANCE SHEET

II.1.1 PROPERTY, PLANT AND EQUIPMENT (PPE) ₹ 4,28,407.05 lakhs

- In the financial statements value and area of land as determined by the valuer has been considered while the area of actual land acquired by TCL from the Directorate of Ordnance (C & S), MOD, differs from the area of actual land valued by the Approved Valuer. (Amount indeterminate). [Refer Note No. 2(a), (b) & (c) of Ind AS FS].
- While valuing PPE of OEF, Kanpur, the furniture and fixtures has not been considered. (Amount indeterminate) [Refer Note No. 2(e) of Ind AS FS].
- Addition of ₹ 708.61 lakhs in building has wrongly been shown in the column of adjustment / Disposal [Refer Note No 2 of IND AS FS].

II.1.2 INTANGIBLE ASSETS ₹ 0.94 lakhs

The Company has not derived any value in respect of its intangible assets developed inhouse (patents, trademarks, copyrights and design). (Amount indeterminate) [Refer Note No. 2(j) of Ind AS FS].

II.1.3 BANK BALANCES / CASH AND CASH EQUIVALENT ₹ 14,782.20 lakhs

- The company has not given complete details of transactions entered into through the following bank accounts during the period 01.10.2021 to 31.03.2022 therefore impact of the same could not be verified :

S. No.	Name of the Bank	Account Number / Name and style of the Account	Balance as per Bank statement as at 31.03.2022 (₹)	Status
1	State Bank Of India	10372386520 / Clothing Factory Misc. A/c, Avadi	6,36,027.19	Not closed as on 31.03.2022
2	State Bank Of India	10850295014/ GM OEF, Hazratpur	2,35,177.76	Not closed as on 31.03.2022
3	State Bank Of India	10998696686/GM OCF, Shahjahanpur	Nil	Account closed on 28.02.2022

S. No.	Name of the Bank	Account Number / Name and style of the Account	Balance as per Bank statement as at 31.03.2022 (₹)	Status
4	Indian Overseas Bank	187402000001501/GM OEF Public Fund Account	Nil	Account closed as on 29.03.2022
		GRAND TOTAL	8,71,204.95	

(b) Bank Deposits amounting to ₹ 150 crore maturing within three months have been wrongly clubbed with "Bank Balance other than Cash & Cash Equivalents" instead of showing it under the head "Cash & Cash Equivalents".

(c) As per office Memorandum issued by Department of Defense Production No. 1(5)/2021/OF/DP(Plg-V)/01 dated 24th September, 2021 provisional Net Asset value of the company was determined at ₹3658 crore which was subject to finalization within 3 months of the appointed date i.e. 01.10.2021 in consultation with the Department of Defense Production (DDP). The final Net Asset value was determined at ₹4506.17 crore without considering the following:

- Inventory items, which have been identified as slow moving, non-moving etc impaired subsequently, by the company;
- Inventories as on appointed date i.e. 01.10.2021 have been valued at the lower of cost or net realizable value in toto instead of valuing them item wise.
- the company has added the amount of ₹ 286.40 crores in Net asset value instead of ₹312.66 crores received from the Government of India as committed liability and
- Matters referred in Para No. II.1.1 (a) & II.1.3 (a) of the report.

II.1.4 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

II.1.4.1 The amount reported under the sub head 'Legal cases before court and tribunals' amounting to ₹8729.41 lakhs could not be verified by us for want of required details. (Refer Note No. 23.12 of "IND AS FS").

II.1.4.2 Stamp Duty payable on Registration of land in the name of the company has not been shown in the Contingent liability.

II.2 STATEMENT OF PROFIT AND LOSS

II.2.1 Changes in Inventory of Finished Goods, Stock-in-trade and Work-in-progress ₹ 4262.70 lakhs

- (a) Inventories as on appointed date i.e. 01.10.2021 have been valued at the lower of cost or net realizable value in toto instead of valuing them item wise. Hence the cost of material consumed and value of inventory as on 31.03.2022 are not correct. (Amount not ascertainable)
- (b) No provision has been made in inventory in respect of slow moving and non moving items etc as on appointed date i.e. 01.10.2021.
- (c) Damaged and Unserviceable items have also not been identified.

III.3 STATEMENT OF CASH FLOWS

- (a) The amount of Increase/Decrease in Trade Payables amounting to ₹ 1616.99 lakhs and Increase/Decrease in Other Current

Liabilities amounting to ₹ 9414.25 lakhs could not be verified.

- (b) The Cash & Cash Equivalent as on appointed date i.e. 01.10.2021 in the Balance Sheet includes Bank Balances amounting to ₹ 41750.29 lakhs which has not been shown as Cash & Cash Equivalent in Cash Flow.

As a result of the aforesaid matters wherein impact on the financials of the Company is not ascertainable due to reasons as mentioned in respective paragraphs we are unable to determine, in totality, whether adjustments might have been found necessary in the Balance Sheet and the corresponding elements making up the Statement of Changes in Equity, the Statement of Profit and Loss and the Statement of Cash Flows.

III. Emphasis of Matter

We draw attention to:

- (a) The company was incorporated on 16th August, 2021 and the going concern business of erstwhile Ordnance Factory Board consisting of 4 production and 2 non production unit was transferred as on appointed date i.e. 01.10.2021 **(Refer Note No. 23.1 to 23.7 of “IND AS FS”)**.
- (b) All the employees of Troop Comforts Limited are on deemed deputation of 2 Years from 1st October-21 to 30th Sep-2023. Emoluments paid to these employees on deputation are depicted as Salaries, Wages, Bonus and other allowance including medical reimbursement.

[Refer Note No. 20 (a) of “IND AS FS”]

- (c) Age wise break up and other details as required by Schedule III (Division II) of the Companies Act, 2013 as disclosed in **Note No. 6 & 12 of Ind AS FS** is as determined by the management and has been relied upon by us.

Our opinion is not modified in respect of above matters.

IV. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS FS for the financial year 31st March, 2022. These matters were addressed in the context of our audit of the Ind AS FS as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Ind AS FS section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS FS. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS FS.

Key Audit Matters	How the issue was addressed
Items of PPE that are ready for its intended use as determined by the management have been capitalized in the period under audit. Judgment is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS-16 specifically in relation to determination of whether the criteria for intended use of the management has been met.	Our audit procedures included and were not limited to the following: <ul style="list-style-type: none"> Assessed the nature of additions made to PPE and capital work in progress on a test check basis to test whether they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16-“PPE including intended use of management”.

V. Other Matters

- (a) The opening financial statements as at appointed date i.e 01.10.2021 compiled by an independent Chartered Accountant appointed by the management of the company duly approved by the Board of Directors on 23.08.2022 has been relied upon by us.
- (b) We have also relied upon the Valuation Report dated 14.01.2022 of the Insolvency and Bankruptcy Board of India (IBBI) Registered Valuer in respect of PPE and considered in the financial statement as at appointed date i.e. 01.10.2021.
- (c) Balances lying under the head Trade Receivables, Loans & Advances, Trade Payables, Security Deposits, Earnest Money, Inter DPSU Balances and Advances from Customers are subject to reconciliation and confirmation.
- (d) Income Tax Deducted at Source (TDS) and GST (TDS) are subject to reconciliation with the Books of account and Form 26AS/Returns.
- (e) Sales as per books of accounts and GST Returns/Form 26AS are subject to reconciliation.
- (f) The head wise income as reported in Tax Payer Information System of Income Tax Department are subject to reconciliation with the Books of account.
- (g) The OEF Hazratpur unit is required to pay solar power charges @ ₹ 4.50 per unit to BEL as per its own requirement in terms of Power Purchase Agreement entered into with BEL. Any excess generation over and above the requirement can be sold by BEL to any buying utility/DISCOM (clause 4.4.1 of power purchase agreement) after refusal from OEFHZ.

In the present scenario BEL is supplying entire solar power energy to OEFHZ who in turn is supplying to GRID/DISCOM at the rate of ₹ 2.00 per unit. The unit is losing ₹ 2.50 per unit against all the excess supplies made to GRID/DISCOM.

- (h) Totaling mistakes due to rounding off figures in the IND AS FS have not been rectified.

VI. Information other than the “Ind AS FS” and Auditor’s Report thereon

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s Annual Report, but does not include the Ind AS FS and auditors’ report thereon.

Our opinion on the Ind AS FS does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS FS, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS FS or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. **We have nothing to report in this regard as Director’s Report and other information forming part of financial statements were not made available to us during the audit.**

VII. Responsibilities of Management and those charged with Governance for the “Ind AS FS”

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS FS that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with 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 the Ind AS FS, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

VIII. Auditor's Responsibilities for the Audit of the "Ind AS FS"

Our objectives are to obtain reasonable assurance about whether the Ind AS FS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FS.

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 FS, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 auditors' report to the related disclosures in the Ind AS FS 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 auditors' 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 FS, including the disclosures, and whether the Ind AS FS 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.

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

IX. Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1**, a statement on the matters specified in paragraphs 3 & 4 of the said Order, to the extent applicable.
- 2) We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2**, on the directions (including additional directions) issued by Comptroller and Auditor General of India (C&AG).
- 3) As required by section 143(3) of the Act, we report that: -
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, except for the matters described in **Basis for Qualified Opinion paragraph** of our report;
 - b) Except for the possible effects of the matters described in elsewhere in our report, 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 and returns have been received from the production and non production units for the purpose of audit;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matters described in **Annexure 3** in our opinion, the aforesaid Ind AS FS comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Act, are not applicable to the Company;
 - f) With respect to the adequacy of the internal financial controls with reference to Ind AS FS and the operative effectiveness of such controls, refer to our separate Report in **Annexure 4**.
 - g) The provisions of section 197 of the Act are not applicable to a Government Company (in terms of MCA notification No. GSR 463 (E) dated 05th June, 2015), as the managerial remuneration is paid as per the appointment letter received from Government of India.
 - h) With respect to the other matters to be included in the Auditor' 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 knowledge and belief and according to the information and explanations given to us: -

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS FS (**Refer note no 23.12 of Ind AS FS**).
- (ii) The Company did not have any long-term contracts including derivative contracts for which it was required to make a provision towards material foreseeable losses under any law or Ind AS.
- (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 ("ultimate Beneficiaries") by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries;

- (v) (b) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, 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 ("ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the ultimate Beneficiaries; and
- (vi) (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clauses (a) and (b) contain any material mis-statement.
- (vii) The Company has not declared dividend during the year (**Refer note No. 23.10 of Ind AS FS**).

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/-
(CA. SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 22071912BEQPFN9180

PLACE: Kanpur
DATED: 01.12.2022

Annexure '1' referred to in paragraph VIII (1) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

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

(i) (a) (A) The Company has not maintained proper records showing full particulars, including quantitative details etc and situation of Property, Plant and Equipment.

(B) The Company has not maintained proper records showing full particulars of intangible assets.

(b) The PPE have been physically verified by the Management during the year however no report has been made available to us. Accordingly, we are unable to comment upon whether there are any material discrepancies with reference to book records.

(c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are not held in the name of the company. The details are as follows:

Description of Property	Gross carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of company
Land	3,99,106.77	Land held in the name of Government of India	No	Since 01/10/2021	The company is in the process of getting title transferred in its name pursuant to the scheme of corporatization [Refer Note No.2 (d)& (i) of Ind As FS]
Building	24,305.20	Building held in the name of Government of India	No	Since 01/10/2021	The company is in the process of getting title transferred in its name pursuant to the scheme of corporatization [Refer Note No.2 (i) of Ind AS FS].

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the period ended 31st March, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The inventory has been physically verified by the management but in our opinion the

coverage, at reasonable intervals and procedure of such verification is not appropriate No material discrepancies were noticed on such physical verification.

(b) The Company has not been sanctioned any working capital limits during the period.

(iii) The company has not made investments in, provided any guarantee or security, granted any loans, or advances in the nature of loans, to companies, firms, Limited Liability Partnerships or any other parties during the period.

In view of the aforesaid clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.

- (iv) The Company has not granted any loans or made any investment or provided any guarantee or granted any security in terms of Section 185 of the Companies Act, 2013. Further Section 186 of the Companies Act is not applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act is not applicable to the company being first year of operation.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, duty of customs, Goods and Services tax, cess and any other statutory dues, wherever applicable, with the appropriate authorities, except the dues of Cantonment Board Charges amounting to ₹ 234.06 lakhs.
- (b) There are no dues of Income Tax, wealth tax or service tax or duty of customs or duty of excise or value added tax, wherever applicable, as at 31st March, 2022, which have not been deposited on account of dispute.
- (viii) This clause is not applicable to the Company.
- (ix) This Company has not taken any loans or borrowings during the period. Hence, this clause alongwith clauses ix(b), ix(c), ix(d), ix(e) & ix(f) are not applicable.
- (x) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further no preferential allotment or private placement of shares or convertible debentures (fully, partially

optionally convertible) has been made during the period, therefore the clause x (a) and (b) are not applicable.

- (xi)(a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.
- (b) No report under section 143(12) of “the Act” has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule, 2014 (as amended) with the Central Government.
- (c) No whistle- blower complaints were received during the period by the company.
- (xii) The Company is not a Nidhi company. Accordingly, paragraph (xii)(a), (b) and (c) of the Order are not applicable.
- (xiii) Transactions with the related parties, as identified by the management of the Company, are in compliance with Sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) The company has an internal audit system however it’s adequacy and scope is not commensurate with the size and nature of its business.
- (b) The available reports of the Internal Auditors during the period under audit have been considered.
- (xv) No any non-cash transactions with directors or persons connected with him has been reported.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence clause (a), (b), (c) & (d) are not applicable.
- (xvii) This is the first financial statements of the company and the Company has not incurred cash losses during the period under audit.
- (xviii) There has not been any resignation of the Statutory Auditors during the period. Hence, Para (xviii) of the order is not applicable.

(xix) On the basis of the financial ratios disclosed in **Note No 23.11** to the Ind AS FS ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Being the first financial statements of the company, hence the requirement of section 135 of the Companies Act, 2013 is not applicable to the Company.

(xxi) This clause is not applicable.

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/-
(CA. SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 22071912BEQPFN9180

PLACE: Kanpur
DATED: 01.12.2022

Annexure '2' referred to in paragraph VIII(2) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

S. No.	Directions/Additional directions of the C&AG of India under section 143(5) of the Companies Act, 2013.	Auditor's Comment	Impact on Ind AS financial statements
1	Directions of the C&AG:-		
A	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with the financial implications, If any, may be stated.	<p>The company do not have a system, in place, to process all the accounting transactions through IT system.</p> <p>The company uses in respect of each of its production and non-production units Tally (Prime) software for financial transactions. PPC customized software is being used for recording of inventory and employee benefits payments and the entries are being passed in Tally (Prime) at fixed interval after making certain adjustment manually.</p> <p>The company has prepared its financial statements in MS excel without integration of the aforesaid software's mentioned.</p>	Not ascertained.
B	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts/loan /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, the lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	The Company has not raised any loan during the period ended 31 st March, 2022. Hence this clause is not applicable.	Not Applicable.
C	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	<p><u>(A) Funds received towards Committed Liability:</u></p> <p>The company has received an amount of ₹ 312.66 crore from GOI to meet out the committed liabilities accrued before 01.10.2021 as claimed by the company</p> <p>In this regard we have neither been provided with the details of committed liabilities claimed by the company nor it has furnished the details of utilization for ₹ 52.30 crore.</p> <p><u>(B) Fund received towards CAPEX:</u></p> <p>The company has received ₹ 7.04 crore from GOI towards CAPEX but the utilization</p>	Refer to Para No II.1.3 (c) of our report of even date.

S. No.	Directions/Additional directions of the C&AG of India under section 143(5) of the Companies Act, 2013.	Auditor's Comment	Impact on Ind AS financial statements
		of the same for intended purposes has not been furnished to us. Further the utilization certificate required to be submitted to GOI has also not been shown to us.	
2	Additional directions of the C&AG:-		
A	Whether the Company has migrated the Assets and Liabilities from the erstwhile ordnance factories to the newly formed DPSU in accordance with the provisions of Ind AS and other related Govt. of India orders or directives? If there is any deviation, the nature of deviation and its impact on the Financial Statements may be stated.	<p>Yes, the company has migrated assets and liabilities of erstwhile ordnance factories to the newly formed DPSU.</p> <p>As per office Memorandum issued by Department of Defense Production No. 1(5)/2021/OF/DP(Plg-V)/01 dated 24th September, 2021.</p> <p>Provisional Net Assets value of the company was determined at ₹ 3658 crore. The said sum was subject to finalization of the transfer value within 3 months of the Appointed date in consultation with the Department of defence Production (DDP). The final Net Assets value determined was ₹ 4506.17 crore. However, no provision has been made in the aforesaid final assessed value in respect of the inventory items, which have been identified as slow moving, non moving etc impaired subsequently, by the company. Also, the company has considered the amount of ₹ 286.40 Crores in Net assets value as against commitment liability fund of ₹ 312.66 Crores received from the Government of India. Further with regard to deficiencies in valuation of land, non inclusion of 4 bank balances amounting to ₹ 0.61 Crores in the opening balance sheet of appointed date i.e. 01.10.2021. Also refer para no: II.1.3(c) of our report of even date.</p> <p>The Net Assets value as per Valuation Report/the Balance Sheet compiled on 01.10.2021 duly approved by the board on 23.08.2022 comes to ₹ 4506.17 crore. Thus, there is a deviation of ₹ 848.17 crore which is unreconciled till date.</p>	Not ascertainable.

S. No.	Directions/Additional directions of the C&AG of India under section 143(5) of the Companies Act, 2013.	Auditor's Comment	Impact on Ind AS financial statements
B	Whether the company has reconciled the opening balances of the Assets and Liabilities of the newly formed DPSU with the closing balances of the erstwhile ordnance factories as per the Financial Statements prepared by the principal controller of accounts (Fy's) in the commercial formats? The discrepancies observed (if any) and its impact on the Financial Statements may be stated.	Reconciliations of the Assets and Liabilities of the company recognized on the 'Appointed Date' i.e. 01.10.2021 with the closing balances of the erstwhile ordnance factories as per financial statements prepared by the Principal Controller of Accounts (Fys) has not been done.	Not ascertainable.
C	Whether the company carried out reconciliation exercise of inter factory balances with the other DPSU on the date of formation of the company and whether confirmation has been obtained from other DPSU for balances due to obliged due from them? The amount of unreconciled balances, if any, for each DPSU may be stated.	In the absence of details of inter factory balances and inter DPSU balances as on 01.10.2021 factory we are unable to comment whether inter DPSU balances are reconciled or not. However, inter factory balances of the company as on 31.03.2022 are tallying with each other. In respect of balance confirmation from other DPSU was not available for our verification.	Not ascertainable.
D	Whether the accounting policies have been framed by the DPSU as per the provision of Ind AS and in accordance with prudent accounting principal applicable to defense sector? In consistency, if any, may be stated.	The DPSU has framed accounting policies as per the provision of Ind AS and in accordance with prudent accounting principal applicable to defense sector. For inconsistency refer Annexure No. 3 of our report of even date.	Not ascertainable.
E	Whether the provision of employee benefit liabilities and their valuation on the date of formation of DPSU have been made in accordance with the provisions of Ind AS? Deviation, if any, may be stated.	For provision of employee benefit liabilities and their valuation on the date of formation of DPSU please refer to accounting policy no. 19 Employee Benefits.	No impact on the Ind AS financial statements of the Company.

**For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)**

**Sd/-
(CA. SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 22071912BEQPFN9180**

**PLACE: Kanpur
DATED: 01.12.2022**

Annexure '3' referred to in paragraph VIII(3)(d) of our report of even date

COMPLIANCE OF INDIAN ACCOUNTING STANDARDS ("Ind AS") ISSUED BY "ICAI"

1. Ind AS-2 INVENTORIES

The values of stores and spares parts has been merged with Raw material instead of showing separately as stated in paragraph 36(b) of Ind AS-2.

2. Ind AS-7 STATEMENT OF CASH FLOWS

- (a) The company has not disclosed separately Cash flows from interest income and Profit on sale of investments.
- (b) The company has wrongly shown Non-current financial assets under investing activity instead of operating activities.
- (c) Cash and Cash Equivalents disclosed in the financial statements are not in consonance with the requirements as per Ind AS-1.

3. Ind AS-8 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS.

- (a) The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 23th March, 2022, has made certain amendments in Companies (Indian Accounting Standard Rules), 2015 in the undernoted Ind AS. Such amendments shall come into force with effect from 1st April, 2022:

Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets

Ind AS 103: Business combination

Ind AS 16: Property, Plant and Equipment

Ind AS 109: Financial Instruments

Ind AS 116: Leases

The company has not complied the requirement of paragraph 30 & 31 of above Ind AS-8

- (b) The models (Cost or Revaluation as per paragraph 29 of Ind AS 16) adopted for the valuation of PPE by the company has not been disclosed.

4. Ind AS-16 PROPERTY, PLANT AND EQUIPMENT

Rate of depreciation applied on except certain items of PPE are different from the rate prescribed by the Companies Act, 2013. Technical reasons for adopting a different rate than prescribed by the Companies Act, 2013, have not been disclosed in the Notes to Account.

5. Ind AS-40 INVESTMENT PROPERTY

The company has not separately disclosed the properties in the nature of 'Investment Property' (and depreciation thereon), from which the company is earning rental income.

6. Ind AS-107 FINANCIAL INSTRUMENTS: PRESENTATION

The company has not appropriately evaluated and defined the components and terms of the financial instruments, financial assets and financial liabilities in its accounting policy.

Despite several deviations as stated herein above, the company in its financial statements has not stated the reasons for deviations and the financial effect arising out of such deviations as required by section 129(5) of the Companies Act, 2013.

**For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)**

**Sd/-
(CA. SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 22071912BEQPFN9180**

**PLACE: Kanpur
DATED: 01.12.2022**

Annexure '4' referred to in paragraph VIII(3)(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls with reference to the "Ind AS FS" 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 **Troop Comforts Limited ("the Company")** as of 31st March, 2022 in conjunction with our audit of the Ind AS FS of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors is responsible for establishing and maintaining internal financial controls with reference to the financial statements based on the 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 ('ICAI'). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Ind AS FS based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Ind AS FS established and maintained and if such controls operated effectively in all material respect.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to the Ind AS FS.

Meaning of Internal Financial Controls with reference to the "Ind AS FS"

A company's internal financial control with reference to the Ind AS FS is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Ind AS FS includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions

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

Inherent Limitations of Internal Financial Controls with reference to the "Ind AS FS"

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

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weakness have been observed during the course of audit:

1. The company is using Tally (Prime) System where doer and checker process has not been implemented. To ensure the correctness of the transaction there must be at least two individuals necessary for its completion. While one individual may create a transaction, the other individual should be involved in confirmation / authorization for the same.
2. It is observed that the consultants engaged in some of the units have been provided with online remote access of the data / resources without following Principle of Least Privilege (POLP).
3. The vouchers being prepared for the Accounting purposes do not contain complete details of the transactions. Very often details of transaction (narrations) are not given at all in the vouchers. Moreover tally generated vouchers are not printed signed and kept separately.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the Ind AS FS and such internal financial controls over financial reporting were operating effectively as of 31st March, 2022 based on the internal financial control with reference to the Ind AS FS 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 V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)**

**Sd/-
(CA. SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 22071912BEQPFN9180**

**PLACE: Kanpur
DATED: 01.12.2022**

MANAGEMENT RESPONSE TO THE INDEPENDENT AUDITOR'S REPORT

Qualification in Main Audit Report

Sl. No.	Auditor's Remark	Management Response to the Independent Auditor's Report
1.	The company is using Tally (Prime) System where doer and checker process has not been implemented. To ensure the correctness of the transaction there must be at least two individuals necessary for its completion. While one individual may create a transaction, the other individual should be involved in confirmation / authorization for the same.	All the transactions in the factories are recorded through internal ERP System which includes Production Planning, Purchase, Stores, Salary & Wages etc. For Financial Reporting in addition to ERP, relevant entries are also recorded in Tally. Tally has been implemented in the factories to facilitate the preparation of Accounts, Ledger and Trial Balances in Commercial Accounting format and to reconcile the Bank Statements. Tally Prime dealer was approached for creating the Doer and checker process in the system. However, Tally software provider could not provide/implement the same. As an alternate measure, presently two individuals are involved in data feeding and cross-checking respectively.
2.	It is observed that the consultants engaged in some of the units have been provided with online remote access of the data / resources without following Principle of Least Privilege (POLP).	Consultants are allowed with the viewing rights only on Tally. No editing facility has been extended to either of them. At factory and also the login and passwords has been shared with Responsible & Concerned Officers only. The online access is also fully protected through VPN enabled on particular devices only. As such POLP is fully implemented and adhered to.
3.	The vouchers being prepared for the Accounting purposes do not contain complete details of the transactions. Very often details of transaction (narrations) are not given at all in the vouchers. Moreover, tally generated vouchers are not printed signed and kept separately.	The point has been noted. As a corrective measure and improvisation exercise, all the narrations for the period has been re-written with proper clarity. Further the same is being checked regularly during the current year to avoid any recurrence of the same.

Confidential/ Speed Post



सत्यमेव जयते

No. 183 /T-459/TCL/Accounts/2022-23

Dated:- 31.01.2023

कार्यालय
महा निदेशक लेखा परीक्षा
आयुध फैक्टरियां
कोलकाता
OFFICE OF THE
DIRECTOR GENERAL OF AUDIT
ORDNANCE FACTORIES
KOLKATA

To,
The Chairman & Managing Director,
M/s. Troop Comforts Limited, Kanpur,
TCL corporate Bhawan, GT Road
Kanpur-208013

Sub: Comment under Section 143(6) (b) of the Companies Act, 2013 on the accounts of M/s Troop Comforts Limited, Kanpur for the year ended 31 March 2022.

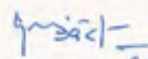
Sir,

I am to forward herewith the comments of the Comptroller and Auditor General of India under section 143 (6) (b) of the Companies Act 2013 on the Financial Statements of M/s Troop Comforts Limited, Kanpur for the year ended 31st March 2022.

Receipt of this letter may kindly be acknowledged.

Encl: As stated.

Yours faithfully,



31/01/2023

(Sarat Chaturvedi)
Director General of Audit
(Ordnance Factories)
KOLKATA

'आयुध भवन' १०ए, शहीद खुदीराम बोस रोड, (पूर्वी खंड, ८वा तल्ला), कोलकाता-७०० ००१
"AYUDH BHAWAN", 10-A, SHAHEED KHUDIRAM BOSE ROAD (EAST WING, 8th FLOOR), KOLKATA - 700 001
PHONE : 2248-2857, 2243-6341 • FAX : 2248-3291
E-mail : pdaof@cag.gov.in

COMMENTS OF C&AG

MANAGEMENT REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF TROOP COMOFRTS LIMITED, KANPUR FOR THE YEAR ENDING 31ST MARCH 2022.

CAG Comments	Management Reply
<p>The preparation of Standalone Financial Statements of Troop Comforts Limited, Kanpur for the year ended 31st March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(7) of the Act is responsible for expressing opinion on these Financial Statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 16th November, 2022.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Troop Comforts Limited, Kanpur for the year ended 31st March, 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.</p> <p>Based on my supplementary audit I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.</p>	

CAG Comments	Management Reply
<p>Profitability</p> <p>Balance Sheet</p> <p>Equity and Liabilities</p> <p>Liabilities</p> <p>Other Current Liabilities (Note 13) Rs. 353.52 Crore</p> <p>The above does not include a sum of Rs. 27.96 crore towards the provision for employers' contribution in respect of the employees of erstwhile Ordnance Factory Board on deemed deputation (Foreign Service) covered under old Defined Benefit Pension Scheme and National Pension Scheme during the period from 01 October 2021 to 31 March 2022. As per office Memorandum dated 24 September 2021, the Government of India has transferred all its Liabilities to the newly formed DPSUs, hence the company is obligated to provide this liability for availing the services of the Government employees on deemed deputation for the six month's period. This has resulted in understatement of other current liabilities and overstatement of profit of the company by Rs. 27.96 Crore.</p>	<p>As per the calculation provided by the audit in Annexure to PC 02, there are two components i.e. non-provision of liability for gratuity contribution in respect of NPS employees and non-provision of liability for pension contribution in respect of old pension scheme employees. For old pension scheme employees this contribution is not applicable at all. Further It is brought out that all employees being on deputation all the responsibilities of "Employee benefits" are being taken care of by the DoO (MoD) as per extant guidelines. The MoD OM No. 1(5)/2021/OF/DP/Plg-V/02 dt. 24.09.2021 Para (7) is relevant QUOTE, "The pension liabilities of the retiree and existing employees will continue to be borne by the government from the Ministry of Defence budget for Defence Pensions" UNQUOTE.</p> <p>It is also brought out that post corporation from 1st Oct, 2021 the company is having NIL permanent employee and all the available human resources are only on deemed deputation. The point was also covered under Significant Accounting Policy para 19.1, Quote "In terms of OM No 1(5) //2021/OF/DP (Plg-V)/02 dated 24.09.2021 all the employees of TCL are on deemed deputation for a period up to 30 Sep 2023. Further as per the said OM the retirement benefit shall be taken care of by the Govt of India..." Unquote. Para (3) of the said OM Dt. 24.09.2021 states that erstwhile employees of OFB have been transferred en-masse to New DPSUs on terms of Foreign Service without any deputation Allowance. This para is to be read with para (5) of same OM that all the employees are subject to the extant rules regulation and orders as applicable to the Central Government servant including Pay Scale, allowances, leave and other service conditions. Thereafter no further Gazette notification has been issued by DDP regarding change of existing service condition of these employees on deemed deputation. A proper disclosure of this deemed deputation for 2 years is also made under Note 20 (a) of the Financial Statements under Employee Benefits Expenses.</p> <p>Considering the Status of employees as on "Deemed Deputation", DOPT OM dt. 09th Oct, 2020 is not squarely applicable as pointed out by the Audit.</p> <p>In view of forgoing Management is of the opinion that in line with aforesaid OM as cited above, DDP is already discharging this expenditure therefore no understatement of liability is there while preparing the Accounts.</p>

CAG Comments	Management Reply
<p>Financial Position</p> <p>Assets- Current Assets</p> <p>Other Financial Assets (Note 3)- Rs. 2.04 crore</p> <p>This does not include a sum of Rs. 2.14 crore being the security deposits with the Electricity Supply companies/ Electricity Boards (under the respective State Governments, where the Ordnance Factories under the company are located) omitted to be reckoned as other Financial Assets resulting in the understatement of other Financial Assets as well as Other Equity by Rs. 2.14 crore.</p>	<p>TCL is a separate legal entity therefore without changing of ownership documents of these security deposits in the name of TCL it would not fall under proper accounting Rules and regulations. The units had approached all the utility service agencies seeking bills in the name of newly formed entity with transfer of the assets and other credentials in the name of TCL. Whereas in the case of transfer of land the gazette notification for transfer of land was followed up with the handing/taking over exercise by the respective DEOs, in this instance the state PSUs are taking their own time to make such amendments in the name of TCL.</p> <p>All the Electricity Boards are being regularly expedited for change of security deposits ownership from erstwhile OFB to TCL. Recognition of an asset without its transfer in the name of the Company shall tantamount to the recognition of an asset not yet in the name of the Company.</p> <p>Notwithstanding to above, it is assured that all such Security deposits will be recorded in next Financial Statement.</p>
<p>For and on the behalf of the Comptroller & Auditor General of India</p> <p>Sd/- (Sarat Chaturvedi) Director General of Audit (Ordnance Factories) Kolkata</p> <p>Place: Kolkata Date: 31.01.2023</p>	<p>For and on behalf of the Board of Directors</p> <p>Sd/- (Santosh Kumar Sinha) Chairman & Managing Director</p> <p>Place: Kanpur, U.P. Date: 09.02.2023</p>

Balance Sheet as at 31st March-2022

(₹ in Lakhs)

Particulars	Note No.	31st March 2022
I. ASSETS		
A. Non-current assets		
(a) Property, Plant and Equipment	2 (i)	428,407.05
(b) Capital work-in-progress	2 (ii)	469.03
(c) Other Intangible assets	2 (iii)	0.94
(d) Financial Assets		-
(i) Other financial assets	3	204.12
(e) Deferred tax Assets (net)		-
(f) Other non-current assets		-
Sub Total - A		429,081.14
B. Current assets		
(a) Inventories	4	10,392.05
(b) Financial Assets		
(i) Investments	5	15,979.95
(ii) Trade receivables	6	1,897.59
(iii) Cash and Cash Equivalents	7	14,782.20
(iv) Bank balance other than (iii) above cash and cash equivalents	8	25,015.03
(c) Current Tax Assets (Net)		
(d) Other Current Assets	9	1,533.87
Sub Total - B		69,600.69
TOTAL ASSETS		498,681.83
II. EQUITY AND LIABILITIES		
A. EQUITY		
(a) Equity Share capital	-1	5,212.00
(b) Other Equity	-1	452,154.71
Total Equity		457,366.71
B. LIABILITIES		
Non-Current Liabilities		
(a) Financial liabilities		
(b) Provisions		
(c) Deferred Tax Liabilities (Net)	11	263.15
(d) Other Non-current Liabilities		
Total Non-Current Liabilities		263.15
Current Liabilities		
(a) Financial liabilities		
(i) Trade payables	12	4,319.61
(b) Other current liabilities	13	35,351.67
(c) Provisions	14	978.21
(d) Current Tax Liabilities (Net)	15	402.47
Total Current Liabilities		41,051.96
TOTAL EQUITY AND LIABILITIES		498,681.83
Note '1' to '23' and Accounting Policies attached form part of the Accounts		
Report attached		

For **VP Aditya & Co.**
Chartered Accountants
FRN: 000542C

For and on behalf of Board of Directors

Sd/-
CA Surendra Kakkar
Partner

M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

Sd/-
(Suresh Kumar Gupta)
Company Secretary

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 09315427

Statement of Profit and Loss For the Period 16th Aug-2021 to 31st March-2022

(₹ in Lakhs)

Particulars		Note No.	31st March 2022
REVENUE			
I	Revenue from Operations	16	57,571.73
II	Other Income	17	885.02
III	Total Income (I + II)		58,456.75
IV	Expenses:		
	Cost of Materials Consumed	18	19,134.01
	Purchases of Stock-in-Trade		
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	19	4,262.70
	Finance Costs		
	Employee Benefits Expense	20	25,688.45
	Depreciation and Amortization Expense	2	1,315.08
	Other Expenses	21	5,753.00
	Total Expenses (IV)		56,153.23
V	Profit/(Loss) before Exceptional items and tax (III-IV)		2,303.52
VI	Exceptional Items		-
VII	Profit/(loss) before tax (V-VI)		2,303.52
VIII	Tax expense:		
	(1) Current Tax	15	402.47
	(2) Deferred Tax	11	263.15
IX	Profit/(Loss) for the period from Continuing Operations (VII-VIII)		1,637.89
X	Profit/(loss) from Discontinued Operations		-
XI	Tax expense of Discontinued Operations		-
XII	Profit/(loss) from Discontinuing operations (after tax) (X-XI)		-
XIII	Profit (Loss) for the period (IX + XII)		1,637.89
XIV	Other Comprehensive Income		
	A. (i) Items that will not be reclassified to profit or loss		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		
	B. (i) Items that will be reclassified to profit or loss		-
	(ii) Income tax relating to items that will be reclassified to profit or loss		
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other comprehensive Income for the period)		1,637.89
XVI	Earnings per Equity Share (for continuing Operations) :		
	(1) Basic		686.47
	(2) Diluted		0.04
XVI	Earnings per Equity Share (for discontinued operations) :		
	(1) Basic		
	(2) Diluted		

Note '1' to '23' and Accounting Policies attached form part of the Accounts

As per our Report attached

For VP Aditya & Co.
Chartered Accountants
FRN: 000542C

Sd/-
CA Surendra Kakkar
Partner

M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

For and on behalf of Board of Directors

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

Sd/-
(Suresh Kumar Gupta)
Company Secretary

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 09315427

Statement of Cash Flow for the Year ended 31st March 2022

(₹ in Lakhs)

Particulars		31st March 2022
Cash Flow From Operating Activities:		
Profit before tax		2,303.52
Adjustments for:		
Depreciation and amortisation expenses		1,315.08
Operating Profit Before Working Capital Changes		3,618.59
Changes in Operating assests and Liabilities		
(Increase)/ decrease in inventories		8,842.49
(Increase)/ decrease in trade receivables		(1,819.24)
(Increase)/ decrease in other current assets		(430.21)
Increase/ (decrease) in trade payables		1,616.99
Increase/ (decrease) in short-term provisions		978.21
Increase/ (decrease) in other current liabilities		9,414.25
Cash (Used) / Generated From Operating Activities	[A]	22,221.08
Cash flow from Investing Activities		-
(Increase)/ decrease in Non-current financial assets		(204.12)
Purchase of Property Plant & Equipments		(73.12)
(Increase) / Decrease in Capital Work in Progress		(19.00)
(Increase)/ decrease in investments		(15,979.95)
(Increase)/Decrease in Investment in Term Deposits with more than three months		(25,015.03)
Cash (Used) / Generated from Investing Activities	[B]	(41,291.22)
		-
Funds Received against issue of Share of Share Capital		5,212.00
Funds Received for Reimbursement of Committed Liabilities Prior to 1.10.21		28,640.05
Cash (Used) / Generated From Financing Activities	[C]	33,852.05
Net increase/ (decrease in cash and cash equivalents)	D= A+B+C	14,781.91
Cash and cash equivalents at Beginning (Refer Note Below)		0.29
Cash and cash equivalents as at 31st March 2022		14,782.20

(₹ in Lakhs)

Particulars	Note No.	31st March 2022
Cash and Cash equivalents above comprises of the following		
Cash and cash equivalents	7	14,782.20
Balances as per statement of Cash Flows		14,782.20

Note '1' to '23' and Accounting Policies attached form part of the Accounts

Note:

A. Cash and Cash Equivalents at the beginning pertains to the Cash received on the appointed date i.e. 1st October-2021

B. The Cash Flow Statement has been prepared after considering assets / liabilities taken on the appointed date i.e. 1st October-2021 as a going concern as per the Government Notification No. [F. No. 1(5)/2021/OF/DP(Plg-V)] dated 1st October-2021

For **VP Aditya & Co.**
Chartered Accountants
FRN: 000542C

For and on behalf of Board of Directors

Sd/-
CA Surendra Kakkar
Partner

M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

Sd/-
(Suresh Kumar Gupta)
Company Secretary

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 0931527

Statement of Changes in equity for the Year ended 31st March 2022

A. Equity Share Capital

(₹ in Lakhs)

(1) As at 31.03.2022

Balance at the beginning of the reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	-	-	5,211.00	5,212.00

For **VP Aditya & Co.**
Chartered Accountants
FRN: 000542C

For and on behalf of Board of Directors

Sd/-
CA Surendra Kakkar
Partner

M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 0931527

Sd/-
(Suresh Kumar Gupta)
Company Secretary

Statement of Changes in equity for the Year ended 31st March 2022



B. Other Equity

(1) As at 31.03.2022

(₹ in Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus											Money received against share warrants	Total	
			Statutory reserve	Capital reserve	Securities premium account	Reserve for Deferred Tax	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Other Reserves for issuance of shares to GOI	Exchange differences on translating the financial statements	Capital redemption reserve	General reserve			Retained earnings
Opening Balance as at 16th Aug-2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve Created for Shares to be issued due to Corporatization											450,516.82					450,516.82
Restated Balance at the beginning of the reporting period											450,516.82					450,516.82
Profit for the year														1,637.89	-	1,637.89
Other Comprehensive Income/(loss)																-
Total Other Comprehensive Income/(loss) for the year														1,637.89	-	1,637.89
Transfer to Retained Earnings																-
Balance as at 31.03.2022											450,516.82	-	-	1,637.89	-	452,154.71

Note:

1. Other Reserves represents net asset value of the enterprise which will be converted into equity in terms of Office Memorandum dated 24th September, 2021 and issued to the President of India through Secretary to the Government of India (Ministry of Defence).

For **VP Aditya & Co.**
Chartered Accountants
FRN: 000542C

Sd/-
CA Surendra Kakkar
Partner
M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

For and on behalf of Board of Directors

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 0931527

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31ST MARCH 2022

1. BASIS OF PREPARATION:

1.1 Statement of compliance:

The financial statements are prepared and presented in accordance with Indian Accounting Standards (IND-AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

1.2 Functional and presentation currency:

1.2.1 The financial statements are presented in Indian Rupees (₹), which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates.

1.2.2 All financial information presented in Indian Rupees (₹) has been rounded to the nearest lakhs except otherwise stated.

2. USES OF ESTIMATES

2.1 Preparation of financial statements in conformity with the recognition and the measurement principle of IND-AS requires the management of the Company to make estimates, judgments and assumptions that affects the reported balances of Assets and Liabilities, disclosure relating to contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expense for the reporting period.

2.2 Estimates and the underlying assumption are reviewed on an ongoing basis. The revision to the accounting estimates, if material is recognized in the period in which the estimates are revised.

2.3 Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

2.3.i Provisions and contingencies

Assessments undertaken in recognizing provisions and contingencies have been made as per the best judgment of the management based on the current available information.

2.3.ii Income Taxes

The Company's tax jurisdiction is of India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

3. OPERATING CYCLE

The company has considered its operating cycle to be 12 months for the purpose of current and non-current classification of Assets and liabilities.

4. PROPERTY, PLANT AND EQUIPMENT (PPE)

4.1 As on 1st October-2021 company acquired the assets from the Government of India, valuation of such assets is done by the Insolvency and Bankruptcy Board of India (IBBI) Registered Valuer and values as determined by the Valuer are reckoned as the cost of acquisition of assets by the company.

4.2 In accordance with IND-AS 101-First Time Adoption of Indian Accounting Standards, the Company had chosen to consider the value as determined by the Valuer of all its PPE as their deemed cost as at 1st October-2021.

4.3 Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

4.4 The cost includes purchase price, import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable including borrowing cost on qualifying assets to bringing the asset to the location and condition necessary for it to

be capable of operating in the manner intended by the management.

4.5 Depreciation is calculated on straight line basis over estimated useful life as per the Depreciation policy of the company. Useful Life of the Assets are determined as under:

Sl.	Description	Standard Useful Life
1	Building	60
2	Machines installed in Tool-Room & Production Shops	20
3	Ordinary Sewing Machine	15
4	High speed sewing machine	10
5	Motor Vehicle e.g. Diesel/Petrol driven Trucks, Fork Lift Trucks, Dumpers, Tractors, Mobile Cranes etc.	5
6	Air Conditioners & Refrigerators	10
7	Air Circulators, Pedestal Fans, Exhaust Fans etc	20
8	Electrical mains, meters, installation	16
9	Electrical installation & Fans in Factory quarters	20
10	Computer Hardware, Peripherals , Server etc	7

4.6 Where the useful life of the asset is not defined in policy of company then useful life is taken as per Schedule II of the Companies Act 2013.

4.7 PPE whose balance useful life has expired, the carrying value have been retained and no further depreciation have been charged on those assets.

4.8 PPE items costing below ₹ 10,000 if any, purchased during the year has not been capitalized as assets.

4.9 The cost and the related accumulated depreciation are eliminated from the Financial Statements upon sale or de-recognition or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss of the relevant period.

5. CAPITAL ADVANCES AND CAPITAL WORK IN PROGRESS (CWIP)

5.1 Advances given towards acquisition of PPE outstanding at each Balance sheet date are disclosed as other Non- current assets.

5.2 Cost of Assets not ready for its intended use as on the Balance sheet date is shown as CWIP. Such properties are classified to the

appropriate categories of PPE when completed and ready for its intended use.

5.3 Company maintains a Building / Machine register. Building / Machine is completed / installed and ready to use when clearance is done in all respect and Building Voucher / Machine Voucher is generated. Entry for such completed building / machine is recorded in such registers after generation of respective vouchers.

5.4 Depreciation on such assets commence when the assets are ready for their intended use.

5.5 Construction Period Expenses

- Revenue expenses exclusively attributable to projects incurred during construction period are capitalized.
- Such expenses in respect of capital facilities being executed along with the production/ operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

6. INVESTMENT PROPERTY

6.1 A property is considered as investment property

only if the same is held for earning rentals and /or for capital appreciation or both. Properties held by the Company (directly or indirectly) which are used in the production or supply of goods or services for administrative purposes are not considered as Investment Property.

- 6.2 The company holds properties other than factory land & buildings, administrative buildings which are used as residential quarters exclusively available for employees of the company. Such property held by the company for the purpose of facilitating the employees for which minimum license fees as per the norms of Central Government is charged are not considered as Investment property.

7. INTANGIBLE ASSETS

- 7.1 Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are recognized at cost less any accumulated amortization and accumulated impairment losses, if any.
- 7.2 Development Costs having useful life and which will generate probable future economic benefits are recognized as an intangible asset and amortized over production based on technical estimate and to the extent not amortized are carried forward.
- 7.3 Expenditure on license fees, documentation charges etc, based on the definition criteria of intangible assets in terms of reliability of measurement of cost and future economic benefits from the assets, are amortized over production based on technical estimates and to the extent not amortized, are carried forward.
- 7.4 Wherever it is not possible to assess the useful life of an intangible asset (whether or not significant) the same is not amortized. Impairment on such intangible assets are reviewed annually and when there is an indication of impairment, the asset is impaired.
- 7.5 Company has acquired various Patents, copyrights and design registrations for the protection of its interest. However, considering dedicated productions for Armed Forces only,

any assessment regarding future economic benefits is not possible to ascertain at this stage and any cost incurred in acquiring the intangible property is being charged to revenue expenditure. In case of any identification of future economic benefits accrued from existing/ future IPRs (Intellectual Property Rights), the same will be amortized accordingly. All such registered Intangible assets will be initially measured at cost and subsequently at cost less accumulated amortization and cumulative impairment losses, if any. An intangible asset is derecognized on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on de-recognition of intangible assets, if any, are recognized in the statement of profit and loss.

8. RESEARCH AND DEVELOPMENT EXPENDITURE

- 8.1 Expenditure on Research activity (if any) is recognized as an expense in the period when it is incurred.
- 8.2 Development expenditure (if any), (other than on specific development - cum sales contracts and Developmental projects initiated at customer's request), is charged off as expenditure when incurred. Developmental expenditure on development - cum - sale contracts and on Developmental projects initiated at customer's request are treated at par with other sales contracts. Development expenditure incurred in respect of Joint development projects which are not fully compensated by the development partner are carried forward where the company is nominated as a production agency and future economic benefits are expected. Developmental projects are reviewed periodically and the amount carried forward, if any, is charged off in the event of the project being declared closed by the customer / end user without any commitment to place order.
- 8.3 Expenditure incurred (if any) towards other developmental activity (including joint developmental activity in collaboration with external agencies) where the research results

or other knowledge is applied for developing new or improved products or processes, are recognized as an Intangible Asset if the recognition criteria specified in IND-AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

8.4 Expenditure incurred (if any) on Developmental projects for participating in No Cost No Commitment (NCNC) trials, are carried forward till conclusion of the trials and will be amortised over the orders to be received. In case customer order is immediately not forthcoming:

- The amount is capitalised if further economic benefit is expected from its use, or
- The amount is charged off in the event of the project being closed by the company

9. LEASE ACCOUNTING

9.1 The Company recognizes, at inception of a contract a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

9.2 The Company as a lessee-

Contracts with third party (if any), which give the company the right of use in respect of an Asset, will be accounted in line with the provisions of IND-AS 116 - Leases, if the recognition criteria as specified in the Accounting standard are met. Lease payments associated with Short term leases and leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable. At commencement date, the value of right of use is capitalized at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying

asset and presented as part of property, plant and equipment. Subsequent measurement of right-of-use asset is made using Cost model. Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing. Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the Statement of Profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

9.3 Company as a lessor:

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in IND-AS 116 - Leases.

9.3.i Finance Lease (if any):

At commencement date, amount equivalent to the net investment in the lease is presented as a Receivable. The implicit interest rate is used to measure the value of the net investment in Lease. Each lease payment is allocated between the Receivable created and finance income. The finance income is recognized in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease. The asset is tested for de-recognition and impairment requirements as per IND-AS 109 -Financial Instruments. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

9.3.ii Operating lease (if any):

The company recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

10. FINANCIAL ASSETS

10.1 Initial Recognition and Measurement

All financial assets are recognized initially at fair value. 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 are included in the cost of the asset.

10.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets (if any) are classified in four categories:

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

10.3 Derecognition

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset have expired.

10.4 Trade and Other Receivables

Receivables are initially recognized

at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

The Company recognizes all Financial Assets other than non-current investments and Financial Liabilities at Fair Value on inception and subsequent measurements are done at amortized cost.

11. CURRENT INVESTMENTS

- 11.1 Investments held for the period less than 12 months are recognized as current investments.
- 11.2 Investments are carried individually at cost less accumulated impairment in the value of such Investments.
- 11.3 Cost of Investment includes acquisition charges such as brokerage, fees and duties.
- 11.4 Impairment in the value of investment is made only if there is a permanent fall in value of investment in the opinion of management.
- 11.5 Investment in mutual funds (debt based fund) that are subsequently measured at fair value through profit or loss as per IND-AS 32 & IND-AS 109.
- 11.6 Gain on revaluation has been recorded as other income being notional profit.

As a result, the tax base of the asset is adjusted and no temporary difference arises. Nevertheless, the future recovery of the carrying amount will result in a taxable flow of economic benefits and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset.

12. TRADE RECEIVABLES

- 12.1 Receivables represent the Company's unconditional right to consideration under the contract. The right to consideration is considered unconditional, if only passage of time is required before payment of that consideration is due.
- 12.2 Amount receivable from the Government departments are generally treated as fully recoverable, hence in the opinion of Management there is no increase in credit risk of such financial assets.
- 12.3 Impairment on account of expected credit loss is being assessed on a case to case basis in respect of dues outstanding for a significant period of time.

13. CASH AND BANK BALANCES

- 13.1 Cash and cash equivalents - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than one year. These balances with banks are unrestricted for withdrawal and usage.
- 13.2 Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

14. INVENTORIES

- 14.1 Inventories i.e. Finished Goods, Stores in Hand (SIH) (Raw Material, including slow moving and non-moving, spares, packing materials etc.) and Work In Progress (WIP) are valued at lower of Cost and Net Realizable Value. Values of SIH and WIP are compared in respect of weighted average moving rates and LPR, whichever is lower to arrive at a fair assessment whereas Finished Goods are valued at COP or VOI whichever is lower.
- 14.2 Goods-in-Transit are valued at their

respective issue voucher prepared on weighted average moving rate.

- 14.3 In the case of Finished Goods, Stock-in-Trade and Work-In-Progress, cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes Taxes and duties (other than Taxes and duties for which input credit is available).
- 14.4 Saleable / Disposable scrap is valued at weighted average rate of past sale price.
- 14.5 Consumables issued from stores and lying unused at the end of the year are not reckoned as inventory.
- 14.6 Items in stores in hand which is not drawn for period more than 3 years is considered as non-moving and the items not drawn for period between 1 year to 3 years is considered as slow moving.
- 14.7 In order to arrive at a fair value of these stores, Provisions for 10% of total value of slow moving items and 25% for Non Moving Items is to be made at the end of every financial year.

15. IMPAIRMENT OF ASSETS

- 15.1 At each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.
- 15.2 Impairment of Financial Assets: In accordance with IND-AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.
- 15.2.i Time barred dues from the government / government

departments / government companies are generally not considered as increase in credit risk of such financial asset.

15.2.ii Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

15.2.iii Dues outstanding for significant period of time are reviewed and provision is made on a case to case basis. Impairment loss allowance (or reversal) is recognised as expense / income in the statement of profit and loss.

16. FINANCIAL LIABILITIES

16.1 TRADE PAYABLES

Liabilities for goods or services are recognized for the amounts to be paid for the goods / services received and accepted, whether billed by the supplier or not. Trade payable outstanding for period less than 12 months are recognized as current liabilities and payable outstanding for period more than 12 months are recognized as non-current liabilities.

16.1.i Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, at fair value through profit or loss as loans, borrowings, payables, or derivatives, as appropriate. Loans, borrowings and payables, etc. (if any) are stated net of transaction costs that are directly attributable to them.

16.1.ii Subsequent Measurement: The measurement of financial liabilities depends on their classification, as described below:

16.1.ii (a) Financial Liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined in IND-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

16.1.ii (b) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate method (EIR). Gains and losses are recognized as profit or loss when the liabilities are derecognized as well as

through the EIR amortization process. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

16.1.ii(c) Trade and Other Payables

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

17. REVENUE RECOGNITION

17.1 REVENUE FROM OPERATION

Company is engaged in Manufacturing of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tentages, Leather Items, Arrester Barrier, General Stores, etc.

- 17.2 Revenue on Sale of Goods and Services is recognized at a point in time when the Company satisfies the performance obligation on transfer of control of the products to the Customer, as per the terms and conditions of the contract, in an amount that reflects the consideration the Company expects to receive in exchange for those products pursuant to the Contract with customer.
- 17.3 Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

18. OTHER INCOME

- 18.1 Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.
- 18.2 Recoveries of quarter license fee as fixed by the government for the time being in force from employees who live in quarters is considered as other income.
- 18.3 Recoveries from Vendors for non fulfilment of contract is considered as other income.
- 18.4 Gain on sale and purchase of debt mutual fund is recognized other income.
- 18.5 Notional gain on mutual fund due to fair value measurement as per IND-AS 113 is recognized as other income.

19. EMPLOYEE BENEFITS

- 19.1 In terms of Office Memorandum No. 1(5)/2021/OF/DP(Plg-V)/02 dated 24.09.2021, all the employees of the TCL are on deemed deputation for a period up to 30th September'2023. Further as per the said office memorandum the retirement benefits shall be taken care by the Govt of India, therefore, once the employees opt to continue with TCL, policy shall be finalized for the defined benefit and defined contribution will be decided.
- 19.2 The employees on deemed deputation to the TCL (new DPSUs), shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions.
- 19.3 The pension liabilities of the retirees and existing employees will continue to

be borne by the Government from the Ministry of Defense ("MoD") budget for Defense Pensions. For the employees recruited after 01.01.2004, National Pension Scheme applicable to the Central Government employees is in vogue and the same is being adopted by the New DPSUs, including continuation of all special provisions applicable to Central Government employees under the National Pension System.

- 19.4 The conditions of payment of pensionary benefits to the employees of OFB on absorption to the New DPSUs would be regulated in accordance with Rule 37-A of the Central Civil Services (Pension) Rules, 1972.

19.5.i Short term employee benefits:

Employee benefits such as salaries, wages, short-term compensated absences, bonus, and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

19.5.ii Defined contribution

plans: The company does not have any superannuation scheme as all the employees working in the company are on deemed deputation and all superannuation obligations will be met by Government of India.

- 19.6 Medical reimbursement are accounted on payment basis.

20. FAIR VALUE MEASUREMENT

- 20.1 The Company measures financial instruments, such as derivatives and other items (if any) in its financial statements at fair value at each reporting date. All assets and liabilities for which

fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

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

21. INCOME TAXES

- 21.1 Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961 (the "Act").
- 21.2 Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax Assets in excess of Deferred Tax Liability are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the

extent that it is no longer probable that the related tax benefit will be realized.

and equity of the earliest prior period for which the error is discovered.

22. PROVISION AND CONTINGENT LIABILITIES

22.1 A provision is recognized, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.

22.2 Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as Contingent Liability. Expected reimbursement, if any, is disclosed under Notes to Accounts.

22.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

23. ESTIMATES AND ERRORS

23.1 The Company revises its accounting policies if the change is required due to a change in IND-AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively unless it is impracticable to apply.

23.2 A change in an accounting estimate that results in changes in the carrying amounts of recognized assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

23.3 When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate.

23.4 Discovery of material errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities,

24. EVENTS AFTER THE REPORTING PERIOD

24.1 Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

24.2 Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted.

25. SEGMENT REPORTING

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

26. CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in IND-AS 7- Statement of Cash Flows.

27. EARNINGS PER SHARE

27.1 The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

27.2 Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

28. GOVERNMENT GRANTS

Government grants of revenue nature are

recognized as income in statement of Profit & Loss on a systematic basis over the periods in which the expenses related to costs for which the grants are intended to compensate, are recognized as expenditure. Government grants related to assets, including non-monetary grants at fair value, are presented in the Balance Sheet by treating the grant as Deferred Income.

The grant is treated as Deferred Income and

is recognized in the statement of Profit and Loss on a system basis over the useful life of the asset. Government assistance relating to the purchase/construction of property, plant and equipment are included in non-current liabilities as Deferred Income and are credited to Statement of Profit and Loss Account on a straight-line basis over the expected lives of the related assets.

For **VP Aditya & Co.**
Chartered Accountants
FRN: 000542C

Sd/-
CA Surendra Kakkar
Partner

M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

For and on behalf of Board of Directors

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 0931527

Sd/-
(Suresh Kumar Gupta)
Company Secretary

Notes to the Financial Statements for the Year ended 31st March 2022

Note No. 2: 'Property Plant & Equipment

(₹ in Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block
	As on 16th Aug-2021	Acquisition Due to Corporatization	Additions during the year	Disposal / Adjustment during the period	As on 31st March-2022	As on 16th Aug-2021	For the period	As at March 31, 2022
(a) Land		399,106.77	-	-	399,106.77	-	-	399,106.77
(b) Building		23,596.59	-	708.61	24,305.20	-	859.77	23,445.43
(c) Plant and Machinery		5,757.33	1.90	(72.29)	5,686.94	-	395.69	5,291.25
(d) Furniture and Fixture		56.74	15.61	0.08	72.43	-	0.49	71.94
(e) Vehicles		366.19	19.28	51.02	436.49	-	47.75	388.74
(f) Office Equipment		12.18	12.27	11.15	35.60	-	5.62	29.98
(g) Computer and servers		45.54	23.07	10.03	78.64	-	5.70	72.94
Total Property Plant & Equipments 2(i)		428,941.34	72.13	708.60	429,722.07	-	1,315.02	428,407.05
(iii) Capital work-in-progress			-	-	-	-	-	-
Building		1,158.63	19.00	(708.60)	469.03	-	-	469.03
Total Capital Work in Progress 2(ii)		1,158.63	19.00	(708.60)	469.03	-	-	469.03
(ii) Other Intangible assets				-				
Software			0.99	-	0.99	-	0.05	0.94
Total Other Intangible assets 2(iii)		-	0.99	-	0.99	-	0.05	0.94
(iv) Intangible assets under development								
Total	-	430,099.97	92.12	(0.00)	430,192.09	-	1,315.08	428,877.01

a) The area of land acquired by the company from the Directorate of Ordnance (C & S), MOD, differs from the area valued by the approved valuer. There are other discrepancies also in the area of land in possession measured and transferred to TCL by the land owners. The details are given as per Annexure-1.

- b) The impact in the value of land on account of short/excess in measurement needs to be adjusted in the financial statements.
- c) Valuation of the assets received have been valued by a a IBIBI registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. Fair Value Determined by the Registered Valuer is taken as deemed cost of Assets received and the balance useful life as determined by the valuer is considered for the purpose of calculation of Depreciation on straight line method.
- d) The mutation of the land in favour of the Company is under process.
- e) Valuation of Furniture & fixtures owned by OEF Kanpur unit yet to be done by approved valuer.
- f) Depreciation on Property, Plant and Equipment received from the Government due to Corporatization is calculated on the basis of balance useful life determined by the valuer on the straight line method. Depreciation on PPE Purchased after 1st October-21 has been calculated on straight line method over estimated useful life as determined in the policy document of the company. However, where the useful life of the asset (e.g. furniture/fixtures and office equipment) has not been defined in the policy document, depreciation has been calculated as per schedule II of the Companies Act, 2013.

g) Capital Work in Progress

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	19.00	-	7.51	442.52	469.03
			-		
Total	19.00	-	7.51	442.52	469.03

(i) There is no any case of the Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(ii) There is no any case where activity has been suspended.

CWIP	Amount in CWIP for a period of			
	less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	NIL	NIL	NIL	NIL
Projects temporarily suspended	NIL	NIL	NIL	NIL

h) No impairment of PPE has been found during the period.

i) Title deeds of Immovable Properties not held in name of the Company

(₹ in Lakhs)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land	Land	399,106.77	Land held in the name of Govt. Of India	NO	10-01-2021	The Company is in process of getting the title transferred in the name of company.
Buildings	Buildings	24,305.20	Property held in the name of Govt. Of India	No	10-01-2021	The Company is in process of getting the title transferred in the name of company.

Valuation of Intangible Assets (Patents, Trademarks, Copyrights etc.) could not be ascertained due to non availability of future economic value. Details of all such Intellectual property rights are as under:

Particulars	IP type	Unit Name
Chagul Universal	Patent	OEF Kanpur
Tank Fabric collapsible with cover	Patent	OEF Kanpur
Bag Kit Universal MK-II	Industrial Design	OEF Kanpur
Industrial Safety Shoes	Industrial Design	OEF Kanpur
Rucksack 70ltrs	Industrial Design	OEF Kanpur
Camouflage Jungle Pattern with Indian Army Logo	Design	OCFA
Camouflage Dessert Pattern without Indian Army Logo	Design	OCFA
Camouflage Jungle Pattern without Indian Army Logo	Design	OCFA
Camouflage Jungle Pattern with IAF Logo	Design	OCFA
Individual Shirt Packing box for IAF	Artistic Work	OCFA
Brand name for civil trade supplies OCFAV (Karisma)	Trademark	OCFA
Jacket Combat Disruptive Garment	Design	OCFA
Coat Laboratory	Design	OCFA
Blanket Superior	Copyright	OCFS
Blanket Hospital Red	Copyright	OCFS
Trouser Combat Disruptive Garment	Design	OCFA

Particulars	IP type	Unit Name
Bullet Resistant vest	Design	OCFA
Bullet Resistant Jacket	Design	OCFA
Blanket Barrack Natural Grey	Copyright	OCFS
Brochure of Jersey Mens Woollen 'V' Neck Dark	Copyright	OCFS
Brochure of Coat Combat Dis. With Indian Army Logo	Copyright	OCFS
Brochure of Jacket & Trousers Combat PC Dis. With IA Logo	Copyright	OCFS
Brochure of Jacket & Trousers Wind Cheater	Copyright	OCFS
Brochure of Cap Balaclava & Cap Glacier	Copyright	OCFS
Brochure of Trousers Extreme Cold Climate	Copyright	OCFS
Brochure of Shirt Men's Angola . Drab PW modified Patterns 2012 & Trousers Serge Battle Dress	Copyright	OCFS
Brochure of Blankets Superior OG, Air Force Blue, Navy Blue & Hospital Red	Copyright	OCFS
Brochure of Jersey Woollen Dark Blue Grey	Copyright	OCFS
Brochure of Coat Extreme Cold Climate	Copyright	OCFS
Brochure of Extreme Cold Weather Clothing System	Copyright	OCFS
Brochure of Coat Extreme Cold Climate (Two Layer)	Copyright	OCFS
Brochure of Laminated Trouser Serge	Copyright	OCFS
Cap Balaclava	Design	OCFS
Ext reme Cold Weather Clothinnss	Design	OCFS
HIMVEER (High Loft Fur Fabric)/	Design	OCFS
HIMVEER (Light Weight Undershirt & Drawers)	Design	OCFS
HIMVVER (Extreme Wet/Cold Weather Jacket and Trousers)	Design	OCFS
HIMVVER (Soft shell Cold Weather Jacket & Trousers)	Design	OCFS
Ordnance Clothing Factory, Shahjahanpur Logo	Trademark	OCFS
Duffle Trolley Bag	Design	OEFGH

ANNEXURE -1

Note No. 2 of Property, Plant & Equipments

S. no.	Description	OCFA	OCFS	OEFC	OEFH	TCL HQ	TA	Total
(Area in acres)								
1	Area of land as reported by Directorate of Ordnance Co-ordination & Services	172.230	376.09	237.96	137.39	Not Available	Not Available	923.67
2	Area as per GLR/MLR entry of DEO	168.491	376.28	98.06	137.41	Not Available	Not Available	780.241
3	Area as per survey done by Defence Estate Office (DEO)	197.661	378.48	97.88	137.41	0	0	811.431
4	Area under actual occupation / possession	197.661	378.48	197.79*	137.41	25	6	911.341
5	Area transferred to TCL	197.661	314.87	335.84	136.747	0	0	985.118
6	Area reported by valuer in their valuation report	172.29	376.28	177.41	137.41	25	6	863.39
7	Difference between area transferred and valuation done (4-5)	25.371	-61.41	158.43	-0.663	-25	-6	121.728
8	Difference between survey done by DEO and Area transferred to TCL (3-4)	0	63.61	-237.96	0.663	0	0	-173.687
9	Amount (in Rs.) as reported by the Valuer in Valuation Report	4,532,011,092.00	9,897,876,450.00	20,725,897,982.00	3,336,469,249.00	1,163,470,525.00	254,951,802.00	39,910,677,100.00
10	Date of Handling Over/ Taking over Document	-	7/5/2022	7/6/2022	7/6/2022			
11	Date of Valuation Report	1/14/2022	1/14/2022	1/14/2022	1/14/2022	1/14/2022	1/14/2022	
12	Surplus land as reported vide Notification O.M. No. 1(5)/2021/OF/ DP(Plg-V)/01 Dated:- 24th September, 2021	-	52.02	-	-	-	-	

197.79 Acres of Land transferring to OEFC also contains 25 Acres of Land which belongs to TCL Head Quarters. Land of TCL Training Academy was not transferred in the name of Company though it is in the possession of Company.



Note 3: Non Current Assets- Other Financial Assets

(₹ in Lakhs)

Particulars	31st March 2022
Bank Deposits	200.00
Add: Accrued Interest	4.12
Total	204.12

(a) Bank Deposit is given as a Security for participation by the company in Ministry of Defence Tender through competitive bidding.

Note 4: Inventories

(₹ in Lakhs)

Particulars	31st March 2022
Raw Material (Stores in Hand) (Net of Provisions)	7,848.07
Work-in-progress	1,284.22
Finished goods	1,230.41
Stock in transit	29.35
Total	10,392.05
(i) Raw Material Stores in Hand	
Acquisition Cost	11,705.06
Add: Material Received	15,611.14
Less: Cost of materials consumed	19,134.01
Closing balance	8,182.19
Less: Provision for Slow Moving and & Non Moving Inventory	334.12
Closing balance (Net of Provisions)	7,848.07
(ii) Work-in-progress	
Acquisition Cost	2,095.88
Increase/ (decrease) during the year	(811.66)
Closing balance	1,284.22
(ii) Finished goods	
Acquisition Cost	4,681.45
Increase/ (decrease) during the year	(3,451.04)
Closing balance	1,230.41

(a) All inventories i.e. Raw Material, Stores, WIP and Finished Goods are valued at weighted average cost or NRV whichever is lower.

(b) Slow moving, non moving, raw material and stores has been determined and a suitable provision has been made as detailed herein below:

(₹ in Lakhs)

Description	Amount	Provision %	Provision Amount
Slow Moving Items	700.28	10%	70.03
Non-Moving Items	1,056.34	25%	264.09
Total	1,756.62		334.12

Note 5: Investment-Current

(₹ in Lakhs)

Particulars	31st March 2022
Investment in Mutual Funds (Quoted)	15,979.95
Detail are given in Annexure "A"	
Total	15,979.95

(a) Investments are measured at fair value through profit & loss (FVTPL)

Note 6: Trade Receivable

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,897.59				1,897.59
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
Total	1,897.59	-	-	-	1,897.59

(a) During the period company has supplied the Goods to Indian Army, Airforce, Ministry of Home Affairs and other Defence Public Sector Undertakings as per the contract conditions of partial advance payments. No any risk of default is envisaged in balance outstanding with any of these entities of Government of India

Note 7: Cash and cash equivalents

(₹ in Lakhs)

Particulars	31st March 2022
(i) Balance with Bank - In Current Account	12,361.76
(ii) Cash in hand	0.03
(iii) Sweep fixed deposit at bank	2,420.41
Total	14,782.20

- (a) Company maintains the deposits in State Bank of India wherein maturity period less than 3 Months has been classified as cash and cash equivalent.
- (b) Short Deposit under Sweep Account and Interest Accrued thereon has been Classified as Cash and Cash Equivalents

Note 8: Bank balance other than cash and cash equivalents

(₹ in Lakhs)

Particulars	31st March 2022
(i) Bank Deposits	25,000.00
(ii) Add: Accrued Interest on above	15.03
Total	25,015.03

- (a) Fixed Deposits having maturity period between 3 months to 12 months is classified as Bank balance other than cash and cash equivalents

Note 9: Other current assets

(₹ in Lakhs)

Particulars	31st March 2022
(i) Input Tax Credit Receivable	1,352.36
(ii) Balance With Revenue Authorities	1.47
(iii) TDS recievable	12.80
(iv) Rent receivable	25.28
(v) Advance to Supplier	14.87
(vi) TD Advanve	0.04
(vii) Rent & Electricity charges receivable	48.74
(viii) Recovery from parties	6.24
(ix) LD charges recoverable	54.64
(x) Festival Advance	8.86
(xi) Prepaid expense	8.57
Total	1,533.87

- (a) Input Tax Credit receivable is subject to reconciliation with GST Portal.

Note 10 (i): Equity share capital

(₹ in Lakhs)

(i) Authorised Share Capital	"Par value (in Rs.)"	Number of Shares	31st March 2022
As at 16th Aug-2021	10	4,000,000,000	400,000.00
Increase during the period	10	-	
As at 31 March 2022	10	4,000,000,000	400,000.00

(ii) Issued, subscribed and fully paid-up share capital	“Par value (in Rs.)”	Number of Shares	“ Amount (Rs. In Lakhs) ”
As at 16th Aug-2021	10	10,000	1.00
Increase during the period	10	52,110,000	5,211.00
As at 31 March 2022	10	52,120,000	5,212.00

(iii) Shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment

NIL

(iv) Details of shareholders holding more than 5 per cent shares in the Company

Name of Shareholders	Number of Shares	Percentage (%) holding	Percentage (%) holding
President of India & Government Nominee Shareholders	52,120,000	100.00%	100.00%

(v) Aggregate number of equity shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash

NIL

“(vi) Shareholding of promoters Promoter name”	Number of Shares	Percentage (%) holding	Percentage (%) change
President of India & Government Nominee Shareholders	52,120,000	100%	100%

- (a) During the Period Company has issued 5,21,10,000 Equity shares having Face Value of ₹ 10/- each to President of India through Secretary to the Government of India (Ministry of Defence) on Right basis.
- b) 5,21,19,994 out of total 5,21,20,000 Equity shares issued, are held in the name of President of India [through Secretary to the Government of India (Ministry of Defence)] and other shares are held in the name of government nominees

Note 10 (ii): Other Equity

(₹ in Lakhs)

Particulars	Amount
NAV as on 1st October-21 due to Corporatization	450,516.82
Retained Earnings	1,637.89
Total	452,154.71

Note 11: Deferred tax liabilities/assets (Net)

(₹ in Lakhs)

Particulars	31st March 2022
(The balance comprises temporary differences attributable to:	
Property, plant and equipment	(2,070.17)
Movements in deferred tax liabilities	
(i) At 1 Oct 2021	

	31st March 2022
(ii) Charged/ (credited)	263.15
- to profit and loss	
(iii) At March 2022	263.15

Note 12: Trade payables

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 Months	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,679.75				1,679.75
(ii) Others	2,639.86				2,639.86
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	4,319.61	-	-	-	4,319.61

(a) The management of the unit has not received any memoranda from any of its suppliers claiming any amount payable as interest under the Micro, Small and Medium Enterprises Development Act, 2006 and consequently, no provision has been made for the same.

Note 13: Other current liabilities

(₹ in Lakhs)

Particulars	31st March 2022
Statutory Dues	-
Income Tax TDS Payable	190.31
Income Tax TCS Payable	0.32
GST TDS Payable	113.83
GST Payable	1,829.74
Advance From Customers	85.72
Security deposits	48.81
Payable to Cantonment Board	24,298.29
Employees Deduction Liability	1,442.24
Salary & Employees Benefit Payable	3,209.75
Other Current Liabilities	4,132.66
Total	35,351.67

Note 14: Short-term provisions

(₹ in Lakhs)

Particulars	31st March 2022
Provision for Employees Benefit	968.91
Provision for Audit Fees	9.30
Total	978.21

Note 15: Current tax

(₹ in Lakhs)

Particulars	Rate		31st March 2022
Profit before tax			2,303.52
Add: Depreciation as per Companies act, 2013			1,315.02
Less: Depreciation as per Income tax act, 1961			3,385.30
Less: Notional Gain on Fair Value Changes			17.61
Taxable profit			215.62
Corporate Income Tax on Total Income	29.12%	(A)	62.79
Minimum Alternative Tax u/s 115JB	17.47%	(B)	402.47
Current Tax (Higher of [A] or [B])		(C)	402.47
MAT Credit ([B] - [A])			339.68

Note 16: Revenue from operations

(₹ in Lakhs)

Particulars	31st March 2022
(A) Sale of Products & Services	
(i) Sale of Product	57,501.49
(ii) Sale of Services	2.39
Total Sale of Products & Services (A)	57,503.88
(B) Other Operating Income	
(i) Disposal of Scrap and Surplus / Unserviceable Stores	67.85
Total Other Operating Income (B)	67.85
Total Income From Operation (A+B)	57,571.73

(a) Sales is subject to reconciliation with GST Portal

Note 17: Other income

(₹ in Lakhs)

Particulars	31st March 2022
(a) Interest income	
Interest on Auto Sweep Deposits	4.25
Interest on Bank Deposits	110.18
(b) Profit on Sale of Investments	259.72
(c) Other non-operating revenues	
Liquidity Damage, Penalty & Fines	300.66
Other Misc. Income	67.68
Quarter Licence Fees Received from Employees	60.34
Other Rental Income	64.58
Notional Gain on Fair value change	17.61
Total	885.02

(a) Income under various heads in the statement of Profit & loss are subject to reconciliation with Form 26 AS/ AIS/TIS.

Note 18: Cost of Materials Consumed

(₹ in Lakhs)

Particulars	31st March 2022
Acquisition Cost	11,705.06
Add: Purchase	14,888.34
Add: Material Received against Stock in Transit	722.80
Less: Closing stock	8,182.19
	-
Total Material Consumed	19,134.01

(a) The figures against the Purchases includes all addition, adjustments and deductions on account of rebate, goods return etc.

Note 19: Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	31st March 2022
Finished goods	3,451.04
Work-in-progress	811.66
Changes in Inventory of Finished Goods and WIP	4,262.70
(i) Finished goods	
Acquisition Cost	4,681.45
Closing stock	1,230.41
(ii) Work-in-progress	
Acquisition Cost	2,095.88
Closing stock	1,284.22

Note 20: Employee Benefits Expense

(₹ in Lakhs)

Particulars	31st March 2022
Salaries, Wages bonus & Other Allowance	24,791.91
NPS Contribution	896.54
Total Employees Benefit Exps.	25,688.45

(a) All the employees of Troop Comforts Limited are on deemed deputation of 2 Years from 1st October-21 to 30th Sep-2023. Emoluments paid to these employees on deputation are depicted as Salaries, Wages, Bonus and other allowance including medical reimbursment.

(b) Salary Includes Remuneration paid to Key Managerial Personnel which is given below:

Name of Key Managerial Personnel Remuneration (Designation)	(₹ in Lakhs)
Santosh Kumar Sinha (Chairman & Managing Director)	17.82
Atul Gupta (Director Operation)	20.24
Major Gen. Ravi Rajshekhar Patil (Director HR)	17.15
Dr. Sanjeev Kumar Saxena (Director Finance)	19.65
Total	74.85

Note 21: Other Expenses

(₹ in Lakhs)

		31st March 2022
Electricity & water expense		386.49
Transportation expenses		337.28
Information technology expense		16.53
Printing & Stationery		4.40
Repair & Maintenance		81.48
Expenditure on Building Maintenance		256.46
Rate & Taxes		1,235.16
Manpower Supply		2,226.26
Misc. expense		377.76
Communication expense		27.04
Consultancy & Professional Fees		28.99
R&D Expense		16.75
Fabrication Expenses		414.48
Payment to Auditors		
Statutory Audit Fees	8.80	
Tax Audit Fees	1.00	9.80
Provision for Slow Moving / Non Moving Inventory		334.12
Total		5,753.00

(a) One of the units i.e. Ordnance Equipment factory Hazaratpur is having a fully functional solar power plant managed and maintained by the Bharat Electronics Limited (BEL) as per the MOU signed by the erstwhile OFB and BEL factory is paying Rs. 4.5/KWH to BEL for the solar power purchased, whereas As per the UPERC Regulation Act, 2019 excess unused electricity is being credited at the rate of Rs. 2/KWH.

Note 22: Earnings per equity share

(₹ in Lakhs)

Particulars	31st March 2022
Profit after Tax	1,637.89
OCI Income	-
No of shares (Weighted Average)	238,596
Earning Per share	
1) Basic earning per share (in Rs.)	686.47
3) Diluted earning per share (In Rs.)	0.04

Other Note: 23

23.1 FIRST TIME ADOPTION OF IND-AS

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards (IND-AS) Rules 2015, stipulating the adoption and applicability of IND-AS in a phased manner beginning from the Accounting period 2016-17 and subsequently, issued Amendment Rules 2016 to amend the 2015 Rules.

The mandatory criteria for adoption of IND-AS is not applicable on the company in the first year of incorporation. However, the Company has voluntarily adopted Indian Accounting Standards from its first year of incorporation. These Financial Statements for the period ended 31st March 2022 are the first Financial Statements which the Company has prepared in accordance with IND-AS.

23.2 CORPORATE INFORMATION

23.2.1 Corporatization of Ordnance Factories working under Ordnance Factory Board (OFB):

In pursuance of the decision of the Union Cabinet on 16th June, 2021, the Government of India has decided to corporatize the functions of the 41 production units (Ordnance Factories) of the Ordnance Factory Board ("OFB"), functioning under the Department of Defence Production, Ministry of Defence ("DDP").

Government of India by issuing the Gazette Notification No. CG-DL-E-01102021-230101 dated 1st October-2021 decided to dissolved the Ordnance Factories Board (OFB) and transfer the Production and non production units to newly Incorporated Defence PSU w.e.f. 1st October-2021.

23.2.2 Incorporation of Troop Comforts Limited a wholly owned Government Company and transfer of Units of OFB:

23.2.2.1 In pursuance of decision taken by the Government of India to corporatize Ordnance Factories, Troop Comforts Limited was incorporated as 100% Government owned

Company on 16th August-2021. With effect from 1 st October, 2021 ("Appointed Date"), the management, control, operations and maintenance of 4 Ordnance Factories out of 41 Ordnance Factories viz. Ordnance Clothing Factory Avadi (OCFA), Ordnance Clothing Factory Shahjahanpur (OCFS), Ordnance Equipment Factory Kanpur (OEFK) and Ordnance Equipment Factory Hazratpur (OEFHZ) and a Training Academy named Ordnance Factories Institute of Learning Kanpur (OFIL Kanpur) have been transferred on going concern to this defense PSU Named Troop Comforts Limited.

23.2.2.2 The Company has adopted a mid-term Financial Year beginning from 16th Aug-2021 to 31st Mar-2022 and has prepared and presented its First Financial Statements for half yearly as per the IND-AS requirements.

23.2.2.3 TCL is mainly engaged in manufacturing of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Protective Gears, Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tents, Leather Items, Arrester Barrier, General Stores etc. for both Defence Services and Civil Sector.

23.2.3 Registration details are as follows:

Corporate Identity Number (CIN)	U18109UP2021GOI150744
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The registered address of the company:

TROOP COMFORTS LIMITED,

TCL CORPORATE BHAWAN,

G.T. ROAD, KANPUR-208013, (U.P.)

23.3 Financial Statements of Troop Comforts Limited

F.Y. 2021-22 is the First Financial Year for the Company Since its Incorporation on 16th Aug-2021. The Financial Statement comprises of the accounts of four production units (namely OEF Kanpur, OCF Shahjahanpur, OCF Avadi

& OEF Hazratpur) and two non-production units (namely TCL Training Academy and TCL HQrs [TCLHQ (local) and TCLHQ (main)]).

23.4 Pre-Incorporation Expenses

The pre-corporatization expenses of Rs. 2,50,02,241.00 (Rupees two crores fifty lakhs two thousand two hundred forty-one only) were incurred by Department of Defence Production, Government of India towards the incorporation fee of Troop Comforts Limited.

This amount was already incurred by the Government and not claimed from the Company. A clarification for recognizing the Pre-Incorporation Expenses is sought from Directorate of Ordnance, Coordination & Service, Ministry of Defence. Corresponding financial impact to be incorporated post clarification.

23.5 Determination of Value of Assets and Liabilities as on 1st October-2021

As per the Office Memorandum No.

1(5)/2021/OF/DP(Plg-V)/01 dated 24th Sep-2021 issued by Department of Defence Production, Ministry of Defence Government of India, the details of the assets and liabilities to be worked out as per records availability with the units and after the detailed exercise done by the units, value of Assets and Liabilities as on 30.09.2021 was identified by the factory management.

To determine the value of the Fixed Assets transferred by Government of India to Troop comforts limited a IBBI registered Valuer was appointed. Total value of assets as on 1st October-2021 determined by the Valuer is Rs. 4,289.41 Crore as per valuation report, which is adopted by the Board. Fair Value determined by the Valuer is taken as deemed cost of assets as on 1st October-2021.

To determine the value of other current assets and liabilities F&A of each factory has done a detailed exercise. Following basis has been taken by the factories for determination of other current assets and liabilities:

S.No.	Nature	Category	Basis of Determination
1.	Sundry Creditors	Current Liabilities	Value of material accepted and Receipt Vouchers generated prior to 01.10.2021 and services performed by supplier prior to 01.10.21 are considered as sundry creditors as on 30.09.2021
2.	Outstanding Pay & Allowances to Employees	Current Liabilities	Employees Benefits and allowance which were payable to employees for the period prior to 01.10.2021 are considered as liability as on 30.09.2021 payable to employees.
3.	Advance From Customers	Current Liabilities	Advances prior to 01.10.2021 (transferred to erstwhile OFB through MRO) have been considered as outstanding advances.
4.	Returnable Security Deposit	Current Liabilities	As per the terms of Tender Suppliers are required to submit the Security Deposit in form of FDR/BG. In few cases it was identified that FDR was encashed by erstwhile DAD and has been transferred to Govt. through MRO prior to 30.09.2021. This amount is returnable to the suppliers after completion of supply order post 01.10.2021. This amount has been considered as Liability payable to supplier.
5.	Return of Retention Money.	Current Liability	As per the terms and conditions of ensuing contract certain holdover amount of the contractors is to be refunded and has been considered as current liability as on 01.10.2021.
6.	Amount Payable to Local Authority	Current Liabilities	Cantonment Board charges prior to 01.10.2021 has been considered as Current Liabilities as on 01.10.2021

S.No.	Nature	Category	Basis of Determination
7.	Liability for various Utility Services	Current Liabilities	Various utility services such as Telephone, internet and electricity etc. which were used by factories prior to 01.10.2021, amount payable for such services for the period prior to 01.10.2021 is considered as opening liability as on 01.10.2021
8.	Inventory	Current Assets	Inventories held by Factories includes Raw Material, WIP and Finished Goods. To determine the Fair Value of Inventory as on 01.10.2021 a committee has been constituted in each factory. Committee Given its report of the cost of Inventory and Net realizable value as on 01.10.2021. As per IndAS-2 lower of cost and NRV is taken as Value of Inventory as on 01.10.2021.
9.	Sundry Debtors	Current Assets	Amount recoverable from various parties for supply made by the factories prior to 01.10.2021 is considered as sundry debtors as on 01.10.2021
10.	Input Tax Credit	Current Assets	Amount of Input Tax Credit Balance of the respective factories as on 30.09.2021 which is eligible to transfer to New GSTIN of TCL is considered as Current Assets as on 01.10.2021.
11.	Advance to Employees	Current Assets	Prior to 01.10.2021 employees of the factories were given various advances which is recoverable from the employees. As per the instructions received from the Government all the personal advances which were given to the employees is required to transferred to the Government through MRO after recovery from employees except festival advance. Only festival advances recoverable from employees as on 01.10.2021 is considered as current assets.

Company prepared the Opening Balance Sheet in the IndAs format following the Schedule III of Division II of Company's Act 2013.

23.6 Disclosure regarding the Reimbursement of Committed Liabilities prior to 1st October-2021

23.6.1 The Deptt. of Defence Production vide letter No. MoD(Finance) ID No. 1(6)/Bud.I/2021-

(PC-2) dt: 06.01.2022 reimbursed an amount of Rs. 312.66 Crores towards Committed Liabilities accrued prior to the commencement of business by New DPSU (i.e. before 1st October-2021) but which is paid / to be paid by the new DPSU.

23.6.2 The complete details of fund utilization for the allocated amount is as hereunder:-

Amount Received (Rs)	Expenditure incurred during the period (Rs)	Balance Amount (Rs)	Remark
312.66 Cr	52.30 Cr	260.36 Cr	<p>a. Identified and allocated committed liabilities for Bonus and Cantonment Charges etc. (Disbursement yet to be made): 234.06 Cr</p> <p>b. Funds carried forward to meet further contingent liabilities/ court cases of GOI pending in different Tribunals/ Other Courts etc. for pre-corporatization period: 26.16 Cr</p>

23.7 CAPEX and Equity Infusion by GOI

5,21,10,000 equity shares worth ₹ 52.11 Cr were allotted to GOI upto 31st March, 2022 against amount received ₹ 7.04 Cr as CAPEX and ₹ 45.07 Cr as Equity upto that date.

23.8 Disclosure Regarding Segment Reporting IndAS-17

The Ministry of Corporate Affairs (MCA) has exempted the companies engaged in defense production from the requirements of Segment Reporting vide issuing the Notification No. S.O. 802(E). dated 23rd Feb-2018.

23.9 Events Occurring After the Balance Sheet Date

23.9.1 Increase in Authorized Capital

23.9.1.1 Company decided to increase the Authorized Capital from Rs. 4,000 Crores to Rs. 4,500 Crores in the Extra Ordinary General Meeting held on 10th May, 2022 and thereafter Rs. 4,500 Crores to Rs. 5,000 Crores in the Extra Ordinary General Meeting held on 16th September, 2022.

23.9.1.2 450,51,68,206 equity Shares having Face Value of Rs. 10/- each were issued by the Company to the Government of India on 11th October, 2022 in the Board Meeting dated 23rd August, 2022.

23.10 DIVIDEND

As per memorandum no F.No. PP/14(0005)/2016 dated June 20,2016, of the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India (GOI) ("DoE") read with the memorandum F.No. 5/2/2016-Policy dated 27th May, 2016 of the Department of Investment & Public Asset Management, Ministry of Finance, GoI, all central public sector enterprises are required to pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of the net worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

However, the declaration and payment of dividend on Equity Shares will be recommended by Board and approved by shareholders, at their discretion subject to the provisions of the Articles, the Companies Act, 2013.

Further, the dividend, if any, will depend on a number of factors, including but not limited to the earnings of the company, guidelines issued by the DoE, capital requirements and overall financial position of the Company. In addition, ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restriction, restrictive covenants under the loan or financing arrangements the Company may enter into.

23.11 RATIOS

Particulars	Numerator	Denominator	31st March-2022
i. Current Ratio	Current assets	Current Liabilities	1.70
ii. Debt-Equity ratio	Total Debt	Shareholder's Equity	NA
iii. Debt service Coverage ratio	Earnings available for debt service	Debt service	NA
iv. Return on equity Ratio	PAT- Preference dividend	Avg. Shareholder's Equity	0.0036
v. Inventory turnover ratio	Sales	Average Inventory	3.69
vi. Trade receivables turnover ratio	Revenue from operations	Trade receivables	30.34
vii. Trade payables turnover ratio	Net Credit Purchases	Trade payables	3.45
viii. Net capital turnover ratio	Revenue from operations	Working Capital	2.02
ix. Net profit ratio	Profit before tax	Net Sales	0.04
x. Return on capital employed	Earning before interest and taxes	Capital Employed	0.01
xi. Return on investment	Profit earned on an investment	Total Investment	NA

23.12 Contingent liabilities (to the extent not provided for)

(₹ in Lakhs)

Particulars	31st March-2022
CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS (*)	
INCOME TAX DEMANDS	
SERVICE TAX/GST DEMANDS	
SALES TAX/ VAT DEMANDS	
PROPERTY TAX DEMANDS	
CUSTOM DUTY DEMANDS	
Legal Cases Before Courts and Tribunals	8,729.41
Pre-Incorporation Exps. (Paid by Ministry of Defence)	250.02
GUARANTEES ISSUED BY THE COMPANY ON BEHALF OF:	-
CAPITAL CONTRACTS REAMINING TO BE EXECUTED:	-
OTHER COMMITMENT:	
STAMP DUTY IN RESPECT OF TRANSFERRED / HANDED OVER LAND	Not Ascertainable

23.13 Additional Regulatory information

Details of Benami Property held

No Benami Property is held by the Company as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

- (i) Company have not done any transaction with companies struck off under Section 248 of the Companies Act, 2013.
- (ii) Company have not taken any loan during the year and no any charge required to be registered with Registrar of Companies.
- (iii) Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities.
- (v) Company have not received any fund from any person(s) or entity(ies), including foreign entities.

(vi) Company have not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

(vii) Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(viii) Number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation is not applicable on the company.

(ix) Company has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

23.14 Related Party Disclosures

Key Management Personnel as on 31st March, 2022:

S.No.	Name	Designation
1	Santosh Kumar Sinha	Chairman & Managing Director
2	Atul Gupta	Director (Operation)
3	Major Gen. Ravi Rajshekhar Patil	Director (HR)
4	Dr. Sanjeev Kumar Saxena	Director (Finance) & CFO

During the period provision of mandatory appointment of Company Secretary was not applicable on the company. However, Company Secretary was duly appointed during FY 2022-23 in Aug-2022 i.e. before balance sheet date.

23.15 As per the requirement of Section 133 and schedule VII of the Companies Act, 2013, read with the Companies (Corporate Social Responsibilities Policy) Rules, 2014 applicability of CSR is not due to the first year of the company.

23.16 As this is the first IND-AS Financial Statements of the Company, hence previous year figures have not been given.

23.17 Note no: 1 to 23 forms an integral part of accounts and have been duly authenticated.

23.18 Financial Statements were approved for issue by the Board of Directors at their meeting held on 16th Nov. 2022.

For **VP Aditya & Co.**
Chartered Accountants
FRN: 000542C

Sd/-
CA Surendra Kakkar
Partner
M.No. 071912 (Date: 01-12-2022)

Place: KANPUR
Date: 16-11-2022

For and on behalf of Board of Directors

Sd/-
(Santosh Kumar Sinha)
Chairman & Managing Director
DIN: 09282633

Sd/-
(Dr. Sanjeev Kumar Saxena)
Director (Finance) & CFO
DIN: 0931527

Sd/-
(Suresh Kumar Gupta)
Company Secretary

Annexure attached to and forming part of Note No 5

(₹ in Lakhs)

Investments	As at 31 March 2022						
	Amortised cost	At Fair Value			Sub- Total	Oth-ers*	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Mutual Funds:	15,962.34	-	17.61	-	17.61	-	15,979.95
(SBI Savings Fund- Direct Plan- Growth)							
Total (A)	5,962.34	-	17.61	-	17.61	-	15,979.95
(i) Investments in India	15,962.34	-	17.61	-	17.61	-	15,979.95
Total (B)	15,962.34		17.61	-	17.61	-	17.61
Total (A) to tally with (B)							
Less: Allowance for Impairment loss (C)	-	0	0	0	0	0	0
Total - Net D= (A)-(C)"	5,962.34	-	17.61	-	17.61	-	15,979.95

SHORT TERM TRADE INVESTMENT IN MUTUAL FUNDS

NAME OF MUTUAL FUND	BALANCE AS ON 01.10.2021		PURCHASE DURING THE YEAR		SALES DURING THE YEAR		BALANCE AS ON 31.03.22	
	UNIT	AMOUNT (₹)	UNIT	AMOUNT (Lakhs)	UNIT	AMOUNT (Lakhs)	UNIT	AMOUNT (Lakhs)
LIQUID FUNDS / DEBT FUND								
SBI Liquid Fund Direct Growth	-	-	913,807.97	29,998.50	913,807.97	30,119.73	-	-
SBI Overnight Fund Direct Growth	-	-	788,826.11	27,018.38	788,826.11	27,097.38	-	-
SBI Savings Fund-Direct Plan-Growth	-	-	88,181,460.53	31,200.00	3,245,243.50	15,237.66	44,936,217.03	15,962.34
TOTAL LIQUID /DEBT FUNDS	-	-	89,884,094.62	88,216.88	4,947,877.58	72,454.77	44,936,217.03	15,962.34

Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March, 2022

(₹ in Lakhs)

PARTICULARS	Date of Valuation	Fair Value Measurement Using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Investments in Mutual Funds	31st March, 2022	15,979.95	-	-	15,979.95

Fair value of financial instruments not measured at fair value as at 31st March, 2022

PARTICULARS	Date of Valuation	Carrying Value	Fair Value Measurement Using			Total
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
			(Level 1)	(Level 2)	(Level 3)	

Financial Assets

Cash and cash equivalents	31st March, 2022	14,782.20	14,782.20			14,782.20
Bank balance other than cash and cash equivalents	31st March, 2022	25,015.03	25,015.03			25,015.03
Trade Receivables	31st March, 2022	1,897.59			1,897.59	1,897.59
						41,694.82

Financial Liabilities

Trade Payables	31st March 2022	4,319.61			4,319.61	4,319.61
						4,319.61

COMPUTATION OF MINIMUM ALTERNATE TAX

Profit Before Tax	A	2,303.52	2,303.52
ADD:			
(a) Provision for Tax		-	
(b) Interest on late payment of TDS		-	
(c) Amount Transferred to Reserves		-	
(d) Provisions for unascertained Liability		-	
(e) Penalty under the PF Act		-	
(f) Amount of dividend Paid/Proposed		-	
(g) Amount of expenditure related to income to which section 10/11/12 apply			
(h) Depreciation		1,315.08	
(i) Deferred Tax and the provision therefor		-	
(j) Provision for diminution in the value of any asset		-	
(i) Amount standing in revaluation reserve relating to revalued asset on disposal of such asset		-	
	B		1,315.08
	C = A+B		3,618.59
LESS :			
(i) Amount withdrawn from any reserve or provision if any such amount is credited to P/L			
(ii) Income credited to P/L under the section 10/11/12 of the ACT			
(iii) Depreciation debited to the P/L excluding revaluation reserve		1,315.08	
(iv) Amount of loss brought forward or unabsorbed depreciation, whichever is less		-	
(v) Amount of deffered Tax creditd to P/L		-	
	D		1,315.08
	E=C-D		2,303.52
Minimum Alternative Tax	17.47%		402.47

NOTE

[illegible]

EXTREME COLD WEATHER CLOTHING SYSTEM (ECWCS)

FEATURE

- Suitable for high altitude area of 18000 ft temperature upto -50°C & wind velocity of 40 Km/hr (wind chill effect).
- Water proof, wind proof and breathable Outer Layer. Middle Layer with high warmth to weight ratio insulation. Inner Layer with moisture wicking breathable fabric.
- Thermal Insulation Value (TIV) 4.50 (Approx) as per BS EN 342:2004 Annex 'B'.
- Light weight, Ergonomic & Rugged Construction.

DESIGN

- Three independent layers viz. Inner Layer, Middle layer & Outer layer.
- Both the Outer & Middle Jackets have non-detachable hoods with elastic cord.
- Can be used either independently or with any or both of the other two layers depending upon the ambient condition.





Troop Comforts Limited

(A Govt. of India Enterprise, Ministry of Defence)

CIN: U18109UP2021GOI150744

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