



ASHNOOR TEXTILE MILLS LIMITED

REGD. OFFICE & WORKS : BEHRAMPUR ROAD KHANDSA VILLAGE, GURUGRAM-122001 (HR.)

TEL. : 0124-4809756, 4809755

email : atml_delhi@yahoo.com

Registration No. : L17226HR1984PLC033384

August 5, 2023

To

The Manager
Listing Department
Bombay Stock Exchange Limited
Mumbai -400 001

Ref.: Scrip Code No.: 507872

Sub.: Annual Report for the Financial Year ended on March 31, 2023

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed therewith Annual Report for the 40th Annual General Meeting of the Company for the financial year 2022-2023 to be held on Monday, August 28, 2023, through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The Company has not recommended any dividend for the financial year 2022-2023.

Please take the above on your records.

Thanking You.

Yours Faithfully,

For Ashnoor Textile Mills Limited


Suneel Gupta
Managing Director
DIN-00052084

79-A, Sainik Farms
W3, Western Avenue
New Delhi-110062

Enclosed: As Above



ASHNOOR

Annual Report

2022-2023

Ashnoor Textile Mills Limited



Board of Directors

- | | | |
|----|---------------------------|----------------------|
| 1. | Mr. Suneel Gupta | Managing Director |
| 2. | Dr. (Mrs.) Sangeeta Gupta | Whole-time Director |
| 3. | Mr. Abhinav Gupta | Whole-time Director |
| 4. | Ms. Noor Gupta | Director |
| 5. | Mr. Anil Aggarwal | Independent Director |
| 6. | Mr. Sanjay Arora | Independent Director |
| 7. | Ms. Divya Agarwal | Independent Director |
| 8. | Mr. Naresh Kumar Aggarwal | Independent Director |

Registered Office and Factory

Behrampur Road
Village Khandsa
District Gurgaon
Haryana - 122 001

Auditors

Messrs KSA & Co.
Chartered Accountants
Delhi - 110 014

Bankers

Bank of Baroda
International Business Branch
Bank of Baroda Building
1, Sansad Marg
New Delhi - 110 001

Registrar

Messrs Link Intime India Private Limited
Noble Heights, 1st Floor, Plot NH 2,
C-1 Block LSC, Near Savitri Market,
Janak Puri, New Delhi-110058



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ASHNOOR TEXTILE MILLS LIMITED

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Monday, August 28, 2023, at 4:00 p. m. IST through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2023, the Report of the Board of Directors’ and the Auditors’ thereon.
2. To appoint Ms. Noor Gupta (DIN-03611790) who retires by rotation as a Director and, being eligible, offers herself for re-appointment

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and rules issued there under (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other approval(s)/consent(s) from the concerned Statutory/Regulatory Authority(ies), the consent of the members of the Company be and is hereby accorded to increase and alter the Authorized Share Capital of the Company from Rs. 12,75,00,000/- (Rupees Twelve Crore Seventy Five Lakh Only) divided into 1,27,50,000 (One Crore Twenty Seven Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 16,00,00,000/- (Rupees Sixteen Crore Only) divided into 1,60,00,000 (One Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be altered and the existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

“V. The Authorized Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crore Only) divided into 1,60,00,000 (One Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.”

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee of the Board of Directors be hereby authorized to take necessary actions to give effect to the foregoing resolution, submission of documents and papers with the concerned authorities to register and implement the aforesaid amendment to the Memorandum of Association of the Company and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution including authorizing any officers of the Company for this purpose.”

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4. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the approval of the members of the Company be and is hereby accorded, subject to approval of the Registrar of Companies, NCT of Delhi and Haryana, to append the following sub Clause (4) after the sub Clause (3) of Clause III(A) of the Memorandum of Association of the Company :

After sub Clause (3) in Clause-III(A) the following sub Clause be added:

- (4) To carry on the investment in and sale and purchase of all types of securities including derivatives, shares, bonds and mutual funds, Government securities, debentures, warrants and other types of financial instruments, Commodities including cotton and other products relating to textiles and currencies.

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee of the Board of Directors be hereby authorized to file the necessary documents/form(s) with the Registrar of Companies for seeking his approval, or such other Statutory bodies as may be required and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper, expedient or incidental for giving effect to this resolution including authorizing any Director(s)/official(s) of the Company for this purpose.”

Registered Office:
Village Khandsa,
Behrampur Road
Gurugram, Haryana-122001
CIN-L17226HR1984PLC033384
E-mail: atml_delhi@yahoo.com
Phone: 0124 4809755
Web: ashnoortex.com
Place: Gurugram
Date: July 21, 2023

By the order of the Board

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

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NOTES

1. Explanatory statements pursuant to Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM are annexed hereto.
2. The Company will conduct its 40th Annual General Meeting (AGM) of the Company through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs, Government of India.
3. Link Intime India Private Limited, Registrar & Transfer Agent of the Company shall be providing the facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM.
4. As the AGM will be held through VC/ OAVM, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/ OAVM will be counted for the purpose to reckon the quorum under section 103 of the Companies Act, 2013 (“the Act”).
5. Since this AGM is being held through VC/OAVM, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip route map are not annexed to this Notice.
6. Corporate/Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Company at accounts@ashnoortex.com with copy to Scrutinizer at e-mail ID csdeepakbansal@gmail.com and RTA to delhi@linkintime.co.in authorizing its representative(s) to attend and vote through VC/ OAVM on their behalf at the Meeting, pursuant to section 113 of the Act.
7. In compliance with conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India from time to time, the Notice of the AGM along with the Annual Report for the financial year 2022-2023 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the financial year 2022-2023 will be available on the Company’s website www.ashnoortex.com, the website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com, and on the website of the Company’s Registrar and Transfer Agent, Link Intime India Private Limited at www.linkintime.co.in.
8. For receiving all communication (including Annual Report) from the Company electronically:
 - a. Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of the folio number and attaching a self-attested copy of their PAN card at delhi@linkintime.co.in.

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- b. Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participant.
9. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and in view of the aforesaid MCA and SEBI Circulars, the Company has obtained the services of Link Intime (India) Private Limited (LIPL) to provide the facility of voting by the electronic voting system to all the Members to enable them to cast their votes electronically prior to AGM or during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such an electronic voting system from a place other than the venue of the AGM (“remote e-voting”) is also provided by the Company through LIPL.
10. VC/OAVM facility provided by the Company is having the capacity to allow 1000 members to participate in the meeting on a first-come-first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, KMPs, the Chairman of the various Committees of the Board, etc. may be allowed to attend the meeting without restriction on account of first-come-first-served principle. The Company is providing the two-way teleconferencing facility for the ease of participation of the members. The facility for joining the AGM through VC/OAVM shall be open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. Members attending the Meeting through VC/OAVM shall be counted for the purpose to reckon the quorum under Section 103 of the Act, 2013.
11. The member who will cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, August 22, 2023, to Monday, August 28, 2023 (both days inclusive)**.
13. The Board of Directors of the Company has appointed Mr. Deepak Bansal, Practicing Company Secretary, Proprietor of Messrs Deepak Bansal & Associates, Company Secretaries, Flat Number 1601, 16th Floor, Tower-M, Arihant Arden, Plot Number-GH-07A, Sector-01, Greater Noida, Gautam Budh Nagar, Uttar Pradesh-201306 as the Scrutinizer to scrutinize the e-voting and remote e-voting process for the Annual General Meeting fairly and transparently.
14. **SEBI has mandated the submission of a Permanent Account Number (PAN) by every participant in the security market. Members holding shares in physical form may forward their PAN details to the Company or its RTA while the members holding shares in electronic form may submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts.**
15. **The Securities And Exchange Board of India has mandated the securities of listed companies can be transferred only in the dematerialized form effective from April 1, 2019. Accordingly, the Company/**

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RTA have stopped transfer of shares in the physical form. Members holding shares in physical form are requested to convert their shares in electronic mode and also register their email address with the RTA of the Company.

16. The Company was not required to transfer any amount or share to Investor Education and Protection Fund.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
18. All the documents referred to in the Notice will also be available electronically for inspection by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an e-mail to accounts@ashnoortex.com.
19. Members seeking any information with regards to accounts or any matter to be placed at the AGM are requested to write to the Company at least 5 days before the date of the AGM through email at accounts@ashnoortex.com. The same will be replied to by the Company suitably.
20. Pursuant to provisions of the Companies Act, 2013, Ms. Noor Gupta, Director, will retire by rotation at Annual General Meeting and, being eligible, has offered herself for re-appointment. Ms. Noor Gupta, aged 30 years is a Master in Entrepreneurship from the City University of London, UK and has good experience in the textile industry. She will not be paid any remuneration except a sitting fee, for attending the meetings of the Board or/and commission on profit, if so decided by the Board. She is holding 445,828 (3.50%) shares in the Company. She is the daughter of Mr. Suneel Gupta-Managing Director and Dr. (Ms.) Sangeeta Gupta-Whole Time Director. She is the sister of Mr. Abhinav Gupta-Whole Time Director. She is not related to any other Director and Key Managerial Personnel in the Company. She is neither Director in any other public Company nor a Member/Chairperson of any Committee of the Board of a Public Limited Company. She is neither debarred from holding the office of Director under any order of SEBI nor disqualified under any provision of the Companies Act, 2013. Her attendance in Board meetings is given in Corporate Governance Report. Mr. Suneel Gupta, Dr. (Mrs.) Sangeeta Gupta and Mr. Abhinav Gupta being her relatives are interested in resolution number 2 of the Notice. Save and except the above, none of the other Director and Key Managerial Personnel in the Company/their relatives, in any way, concerned or interested, financially or otherwise.
21. **PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM:**
 - A) **Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://instameet.linkintime.co.in>. Members are requested to follow the procedure given below:**
 - a. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - b. Select the “**Company**” and ‘**Event Date**’ and register with the following details: -

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- i. **Demat Account No. or Folio No:** Enter your 16-digits Demat Account No. or Folio No.
 - Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/members holding shares in physical form shall provide Folio Number registered with the Company
- ii. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
- iii. **Mobile No.:** Enter your mobile number.
- iv. **Email ID:** Enter your email id, as recorded with your DP/Company.

Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

B) Procedure for Shareholders/Members to Speak during the AGM through InstaMeet:

- a. Shareholders who would like to speak during the meeting must register their request by August 24, 2023, with the company on accounts@ashnoortex.com.
- b. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
- c. Shareholders will receive a “speaking serial number” once they mark attendance for the meeting.
- d. Other shareholders may ask questions to the panelist, via active chat-board during the meeting.
- e. Please remember speak to serial number and start your conversation with the panelist by switching on the video mode and audio of your device.
- f. Shareholders are requested to speak only when the moderator of the meeting/ management will announce the name and serial number for speaking.

C) Procedure for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

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- a. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
- c. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- d. Cast your vote by selecting the appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
- e. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Please note that:

- a. Shareholders/Members, who will be present in the AGM through the InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through the InstaMeet. However, they will not be eligible to vote again during the meeting.
- b. Shareholders/Members are encouraged to join the meeting through Tablets/ Laptops connected through broadband for a better experience.
- c. Shareholders/Members are requested to use the Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- d. Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspots may experience Audio/Visual loss due to fluctuations in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- e. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact;- 022-49186175.

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22) PROCEDURE FOR SHAREHOLDERS/MEMBERS FOR REMOTE E-VOTING:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

The voting period begins on Friday, August 25, 2023, at 9:00 AM and ends on Sunday, August 27, 2023, at 5:00 PM. During these period shareholders of the company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, August 21, 2023, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.

Login Method for Individual Shareholders holding securities in demat mode is given below:

A. Individual shareholders holding securities in demat mode with NSDL

- Existing IDeAS users can visit the e-Services website of NSDL viz-<https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under the ‘IDeAS’ section. This will prompt you to enter your existing user ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under the e-voting services and you will be able to see the e-voting page. Click on the company name or e-Voting service provider name, i.e. LINKTIME and you will be redirected to the ”Instavote” website for casting your vote during the remote e-Voting period.
- If the user is not registered for IDeAS e-Services, an option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS “Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <https://www.eservices.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of the e-voting system is launched, click on the icon “Login” which is available under the ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on the company name or e-voting service provider name i.e. LINKTIME and you will be redirected to the ”InstaVote” website for casting the vote during the remote e-Voting period

B. Login Method for Individual Shareholders holding securities in demat mode with CDSL

- Existing users of who have opted for Easi/Easiest, can log-in through their user id and password. The option will be made available to reach the e-voting page without any further authentication. The URL for users to login to Easi/Easiest is <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi tab and then use your existing my easi user name and password.

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- After successful login of Easi/Easiest, the user will be also able to see the e-voting Menu. The Menu will have links of the e-Voting service provider i.e. LINK INTIME. Click on LINKTIME and you will be redirected to the “InstaVote” website for casting your vote during the remote e-voting period.
- If the user is not registered for Easi/Easiest, an option to register is available at the CDSL website at <https://web.cdslindia.com>.
- Alternatively, the user can directly access the e-voting page by providing a demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, the user will be able to see the e-voting option where the e-voting is in progress and also able to access the system of all e-voting service providers links for the respective ESP i.e. LINKTIME. Click on LINKTIME and you will be redirected to the “InstaVote” website for casting your vote during the remote e-voting period, where the e-voting is in progress.

C. Individual Shareholders (holding securities in demat mode) and login through their depository participants

- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for the e-voting facility.
- Upon logging in, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. Click on company name or the e-voting service provider name i. e. LINKTIME and you will be redirected to the “InstaVote” website for casting your vote during the remote e-voting period.

D. Individual Shareholders holding securities in Physical mode/Non-Individual Shareholders holding securities in demat mode:

- Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
- Click on “Sign Up” under the ‘SHAREHOLDER’ tab and register with the following details: -
 - a) **User ID:** Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. Shareholders holding shares in a demat account shall provide 8 character DP ID followed by 8 digits client ID; shareholders holding shares in cdsl demat account shall provide 16 Digit Beneficiary ID.
 - b) **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - c) **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

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- d) **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- Shareholders/ members holding shares in **physical form** but have not recorded 'c' and 'd', shall provide their Folio number in 'd' above
 - Set the password of your choice (The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click "Confirm" (Your password is now generated).
 - a. Click on 'Login' under the '**SHAREHOLDER**' tab.
 - b. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
 - **Cast your vote electronically**
 - a. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
 - b. The e-voting page will appear.
 - c. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolutions**' file link).
 - d. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.

E. Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with the attested specimen signature of the duly authorized representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

F. Individual Shareholders holding securities in Physical mode have forgotten the password:

- Click on '**Login**' under the '**SHAREHOLDER**' tab and further Click '**forgot password?**' on the e-voting website: instavote.linkintime.co.in
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/members is having a valid email address, password will be sent to his/her registered e-mail address.

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- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- User ID for shareholders holding shares in physical mode (i. e. Share certificates): Your User ID is Event Number + Folio Number registered with the Company.

G. Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

- Shareholders/members who are unable to retrieve their User ID/Password are advised to use Forget User ID and Forget Password options available at above-mentioned depository/depository participants' website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of times till they have voted on the resolution(s) for a particular "Event".

H. Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|---|--|
| Individual shareholders holding securities in dematmode with NSDL | Members facing any technical issue in login can contact the NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000 |
| Individual Shareholders holding securities in dematmode with CDSL | Members facing any technical issue in login can contact the CDSL help- desk by sending a request at helpdesk.evoting@cdslindia.com or contacting at toll-free no. 1800 22 55 33. |

I. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders and e-voting service Provider is LINKINTIME.

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

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Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Item Number-3

Your Company is contemplating further issuance of Equity shares, and in view thereof, the Company needs to have enough unissued Authorized Share Capital, so that the requisite number of fresh equity shares may be issued for the purpose of raising sufficient funds.

Presently, the Authorized Share Capital of the Company is Rs. 12,75,00,000/- (Rupees Twelve Crore Seventy Five Lakh) divided into 1,27,50,000 (One Crore Twenty Seven Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each. The Board at its Meeting held on July 21, 2023, considered it desirable to increase the Authorized Share Capital of the Company to Rs. 16,00,00,000/- (Rupees Sixteen Crore Only) divided into 1,60,00,000 (One Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each by the creation of additional 32,50,000 (Thirty Two Lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each to accommodate the fresh issuance of the shares of the Company.

Consequent upon the increase in authorized share capital as proposed, the existing Clause V of the Memorandum of Association of the Company will also have to be replaced. The draft amended Memorandum of Association will be available for inspection by Members at the website of the Company.

The provisions of the Companies Act require the Company to seek approval of the members for the increase in authorized share capital and for consequent alteration of the Capital Clause of the Memorandum of Association; accordingly, the Board recommends the resolution set forth in Item No. 1 for the approval of the members of the Company by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the said resolution except to the extent the shares may be allotted to them.

The consent of the members is, therefore, being sought for passing the resolution at items number 3 of the notice as an Ordinary Resolution.

Item Number-4

In view to optimum utilization of the available resources, your directors have decided to utilize the additional funds available with the Company in augmenting the long-term resources of the Company. The company manufactures terry towels for which cotton is the prime raw material. So, it is exposed to risk of variation in prices of cotton which being an agricultural product fluctuates violently many times. The major part of its products are exported and so, it is exposed to risk of currency fluctuation. So, for the purpose of judicious and profitable parking of the surplus funds of the company and make available to itself hedging tool in equity, currency and cotton markets, it may be required to invest in and to make sale and purchase of all types of securities including derivatives, shares, bonds and mutual funds, Government securities, debentures, warrants

ASHNOOR TEXTILE MILLS LIMITED

and other types of financial instruments, commodities including cotton and other products relating to textiles and currencies. The provisions of Section 13 of the Companies Act, 2013, require the Company to seek the approval of the Members and the Registrar of Companies to change/add any object(s) in the Memorandum of Association of the Company, and, accordingly, the Board recommends the relevant resolution for the approval of the Members. None of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolution except Promoter Directors holding shares in the Company.

The Board recommends the Special Resolution set out in Item No. 4 of the Notice for approval by the Shareholders.

Registered Office:

Village Khandsa,

Behrampur Road

Gurugram, Haryana-122001

CIN-L17226HR1984PLC033384

E-mail: atml_delhi@yahoo.com

Phone: 0124 4809755

Web: ashnoortex.com

Place: Gurugram

Date: July 21, 2023

By the order of the Board

Sd/-

Suneel Gupta

Managing Director

DIN-00052084

ASHNOOR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 40th Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2023.

FINANCIAL PERFORMANCE AND OUTLOOK

Rupees in Lakh

| PARTICULARS | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| Income from Operations | 17,557.60 | 26,110.29 |
| Sale of Service | 137.86 | 75.44 |
| Other Income | 83.37 | 46.48 |
| Total | 17,778.83 | 26,232.21 |
| Profit before financial overheads and depreciation | 1,614.03 | 1,928.95 |
| Financial Overheads | 441.15 | 353.86 |
| Depreciation | 391.70 | 368.60 |
| Profit before Tax Exceptional and Extra-Ordinary Items | 781.18 | 1,206.49 |
| Exceptional and Extra-Ordinary Items | 16.04 | (4.45) |
| Profit before Tax | 797.23 | 1,202.04 |
| Current /Deferred Income Tax | 184.80 | 306.50 |
| Profit after Tax-available for appropriation | 612.43 | 895.53 |
| Basic Earnings Per Share | 4.80 | 7.03 |

During the year, income of the company from operations decreased by 32.76% from Rs.26,110.29 Lakh to Rs.17,557.60 Lakh and profit after tax also decreased by 31.61% from Rs.895.53 Lakh to Rs.612.43 Lakh. The Company is carrying out business activities only in one segment. The main reason for decline in income and sales was that FY 2021-2022 saw an abnormally high increase in sales to the extent of 125.60% and increase in profit after tax of 65.18%. This abnormal increase was due to huge increase in pent up demand of the products of the company post COVID 19. During the FY 2022-23, the sales normalized. The recessionary trends in the export markets particularly the monetary tightening by the Central Banks also contributed to the slowdown in the demand.

Financial Statements of the Company have been prepared on IND-AS basis. There was no change in the nature of business of the company. Further, there has been no material change/commitment that occurred after March 31, 2023, until the date of this report affecting the financial position of the Company. The Company has complied with all the applicable provisions of the Companies Act, 2013, relevant Rules and Secretarial Standards. The Company has not revised its financial statement or Board's report in any of the three preceding financial year. The key financial ratios as on March 31, 2023 are given in the Corporate Governance Report. The Company has neither made any application during the financial year nor any proceeding is pending against the Company at the end of the financial year under the Insolvency and Bankruptcy Code, 2016. The Company has not entered into any one-time settlement with any bank during the financial year.

ASHNOOR TEXTILE MILLS LIMITED

DIVIDEND

The Board of Directors does not recommend any dividend for the year under review, due to the requirement of funds for the growth of the Company.

TRANSFER TO RESERVE

The entire profit after tax has been carried over to the Balance Sheet as surplus as decided by your Board of Directors and no amount has been transferred to any specific reserve.

FIXED DEPOSITS

During the year under review, your Company has neither invited nor accepted/renewed any fixed deposit. No fixed deposits outstanding or unclaimed as on March 31, 2023. Your Company has never accepted deposits from the public.

CAPITAL STRUCTURE

During the year under review, there was no change in the capital structure of the Company. The Company has neither issued shares with differential voting rights nor granted any employee stock options or sweat equity shares. During the financial year, the Company has not issued any type of debentures or preference shares or bonds.

Your Directors have decided to raise the funds by way of the issue of equity shares of the company to its eligible shareholders on a right basis, for a maximum amount not exceeding Rs.7,00,00,000/- (Rupees Seven Crores Only), subject to receipt of necessary approvals, as applicable and in accordance with applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India and other applicable laws. In view thereof, the Company needs to raise its Authorized Share Capital. Therefore, the Board recommends the increase Authorized Share Capital of the Company from Rs.12,75,00,000/- (Rupees Twelve Crore Seventy Five Lakh Only) divided into 1,27,50,000 (One Crore Twenty Seven Lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.16,00,00,000/- (Rupees Sixteen Crore Only) divided into 1,60,00,000 (One Crore Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each for your approval.

INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company was not required to transfer any amount or share to Investor Education and Protection Fund.

DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of the Directors of your Company is disqualified under the provisions of the Companies Act, 2013 (hereinafter in this report called “the Act”) or Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report called “the Listing Regulations”) as on March 31, 2023. A certificate issued by the Practicing Company Secretary in this respect is annexed and forms part of the Annual Report.

All the Independent Directors of the Company have confirmed by way of declaration that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

ASHNOOR TEXTILE MILLS LIMITED

In terms of section 152 of the Companies Act, 2013 and Articles of Association of the Company Ms. Noor Gupta (DIN-03611790), Director, will retire by rotation and, being eligible, offers herself for re-appointment.

The following officials are the Key Managerial Personnel of the Company, pursuant to sections 2(51) and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,:

- | | |
|-----------------------------|-------------------------|
| • Mr. Suneel Gupta | Managing Director |
| • Mr. Girish Singh Adhikari | Chief Financial Officer |
| • Ms. Yashima Saluja | Company Secretary |

The brief resume and other details of the Directors to be re-appointed, as required under Listing Regulations have been provided in the notice of the Annual General Meeting. Details of the meeting attended by the Directors are given in the Corporate Governance Report. The balance of funds borrowed from Promoter Directors as on March 31, 2023, was Rs.1,306.29 Lakh. The maximum amount of loan taken from the Directors during the year was Rs. 2,395.07 Lakh.

Mr. Girish Singh Adhikari-Chief Finance Officer, Ms. Yashima Saluja-Company Secretary, Mr. Abhijit Chowdhary-Production Head, Mr. Aditya Kumar-Merchandiser, Mr. Avnesh Kumar-Purchase Manager and Mr. Deepak Bhati-Manager HR are in the Senior Management. There is no change in Senior Management since the close of the previous financial year.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

The entire promoter Directors are relatives within the meaning of the term 'relative' as per section 2(77) of the Companies Act, 2013. None of the remaining Directors are related to each other and promoters.

AUDITORS AND AUDITORS' REPORT

Messrs KSA & Co., Chartered Accountants, New Delhi were appointed the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 39th Annual General Meeting and will continue to act as Statutory Auditors for the financial year 2023-2024.

There is no qualification, reservation or adverse remarks in the audit report on the financial statement of the Company for the financial year ended March 31, 2023. The Report of the Auditors on the Financial Statements including relevant rules on the accounts for the financial year ended March 31, 2023, are self-explanatory and do not call for any further comments except as follow :

- The Company has received the confirmation of balances from all the customers;
- The Company will deposit unspent amount of Rs.15.38 Lakh, required to be incurred during the financial year 2022-2023, in the Prime Minister's National Relief Fund, shortly.
- The unsatisfied charges ID as mentioned in note number 43 of the Financial Statements, i.e. 10066065; 100498309, 100547358 and 100640186. These charges have been satisfied by the Registrar of Companies, NCT of Delhi and Haryana on June 6, 2023.

COST AUDIT

The provisions relating to Cost Audit don't apply to the Company.

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INTERNAL AUDITORS

Pursuant to requirements of section 138 of the Act, Messrs Naveen Brahma Nand & Company, Chartered Accountants, was an Internal Auditors for the financial year 2022-2023.

SECRETARIAL AUDIT REPORT

Messrs Anil Arora & Associates, Company Secretaries, New Delhi, was appointed as Secretarial Auditors by the Board of Directors, for the financial year 2022-2023, as per provisions of section 204 of the Companies Act, 2013. The Board has re-appointed them for the financial year 2023-2024.

Messrs Anil Arora & Associates, Company Secretaries, New Delhi has given a Secretarial Audit Report as per Regulation 24A of Listing Regulations, which is annexed with Annual Report and forms its part.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company does not have any Subsidiary, Material Subsidiary, Joint Venture or Associate Company.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

The annual evaluation has been carried out by the Board of Directors of its own performance and that of its Committees as well as a performance of all the Directors individually including the Independent Directors as per provisions of section 134(3)(p) of the Act and the Listing Regulations and as per detailed criteria prepared by the Nomination and Remuneration Committee. The Independent Directors have also evaluated the performance of the Chairman and non-Independent Directors in their separate meetings as per criteria provided by the Nomination and Remunerations Committee.

The detail of programs held during the financial year for familiarization of the Independent Directors with the Company, informing them about their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, the business model of the Company and related matters are available on the website of the Company at the web link: <https://www.ashnoortex.com/admin/pdf/Familization-Policy-for-Independent-Directors.pdf>.

CODE OF CONDUCT

As per provisions of the Companies Act, 2013 and Listing Regulations, the Company has laid down a code of conduct for all members of the Board of Directors including Independent Directors and Senior Management of the Company, which includes the duties of independent directors as laid down in the Act. All the Board members and senior management personnel are required to affirm compliance with the code of conduct. They have affirmed compliance with the code for the financial year 2022-2023 and Managing Director has given a declaration affirming compliance by them. The Code of Conduct is available on the website of the Company on web link: <https://www.ashnoortex.com/admin/pdf/Code-of-Conduct-For-the-Board-Members-and-Senior-Management.pdf>.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, in terms of section 134(3)(c) of the Companies Act, 2013 confirm that:

ASHNOOR TEXTILE MILLS LIMITED

- a. in preparation for the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards (Ind-AS) have been followed along with the explanations relating to material departures, if any;
- b. the directors have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the State of affairs of the Company as on March 31, 2023, and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts for the financial year ended March 31, 2023, on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF BOARD MEETINGS

During the financial year 2022-2023, seven (7) meetings of the Board of Directors of the Company were held. All the required details of these meetings including the attendance the Directors of these meetings are given in the Corporate Governance Report.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure compliance with the provisions of the Corporate Governance Report as prescribed under the Listing Regulations.

A detailed report on Corporate Governance along with Management Discussion and Analysis Report are annexed as part of the Annual Report. A certificate issued by the Statutory Auditors on Corporate Governance is also annexed with a detailed report on Corporate Governance.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions or which are required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. However, suitable disclosure has been made in note number 47 to the Financial Statements.

ASHNOOR TEXTILE MILLS LIMITED

The Policy on materiality of related party transactions of the Company is available on Company's website at the web link: <https://www.ashnoortex.com/admin/pdf/Poolicy-on-Related-Party-Transactions.pdf>.

BUSINESS RISK MANAGEMENT

Business Risk Management is a very important part of any business. The Company has appropriate control mechanisms and operating effectiveness of the internal financial controls and compliance system in respect of associated risk. Further, before taking any strategic or financial decision various factors, viz. economic, social, market, technology, foreign exchange involved, political situation, etc. are evaluated. During the year, no risk has been identified which may threaten the existence of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL FINANCIAL CONTROL

A detailed note has been provided under Management Discussion and Analysis Report appended hereto.

VARIOUS COMMITTEES OF THE BOARD

Composition and other details about the various Committees of the Board of Directors have been disclosed in the Corporate Governance Report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in '**Annexure-I**' to this Report.

CORPORATE SOCIAL RESPONSIBILITY

As per requirements of the Companies Act, 2013, your Company has formulated a CSR Policy which includes the Company's approach towards CSR activities which may be carried on by the Company as CSR, implementation mechanism, monitoring and evaluation, etc.

Annual report on CSR activities and initiatives taken as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended in Annexure-II of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and annexed as **Annexure-II** and forms an integral part of this report.

As per requirements of the provisions of section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formed a CSR Committee. The composition and other details of the Committee are given in Corporate Governance Report.

During the financial year 2022-2023, the Company was required to incur Rs.15.38 Lakh for Corporate Social Responsibility. The short-term provisions for the same have been created in the Balance Sheet in note number 20(b)(ii) and the Company will transfer the unspent amount as per provisions of section 135 of the Companies Act, 2013.

ASHNOOR TEXTILE MILLS LIMITED

During the financial year 2023-2024, the Company is required to incur a CSR expenditure of Rs.17.98 Lakh. The CSR policy is available on Company's website at the web link: <https://www.ashnoortex.com/admin/pdf/CSR-Policy.pdf>.

ANNUAL RETURN

According to the provisions of Section 134(3)(a) and Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2023 is uploaded on the website of the Company at web link: <https://www.ashnoortex.com/admin/pdf/Annual%20Return-March%2031,%202023.pdf>

VIGIL MECHANISM

A Vigil Mechanism in the form of Whistle Blower Policy as per provisions of section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations has been formed by the Company, which provides freely reporting of any genuine concern to the Chairman of the Audit Committee by any Director or employee of the Company. The policy provides adequate safeguards against victimization to such Director(s) or employee(s). Whistle Blower Policy duly approved by the Board is available on the Company's website at the web link: <https://www.ashnoortex.com/admin/pdf/Whistle-Blower-Policy.pdf>. The more details are available in the Report on Corporate Governance that forms part of this Report.

PREVENTION OF INSIDER TRADING

In view to regulate insider trading in the securities of the Company by the Directors and designated persons and ensure transparency the Company has framed a Code of Fair Disclosure as per provisions of Listing Regulations. It helps to prevent insider trading in the securities and ensure. The said Code is available on the Company's website at the web link: <https://www.ashnoortex.com/admin/pdf/Code%20of%20Fair%20Disclosure.pdf>

MANAGERIAL REMUNERATION

Details about remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Rupees in Lakh

| Sl. No | Name of Director/KMP | Designation | Remuneration during the Year | Percentage Increases/ decrease in Remuneration during the Year | Ratio of Remuneration of each Director to median remuneration |
|--------|---------------------------|---------------------|------------------------------|--|---|
| 1. | Mr. Suneel Gupta | Managing Director | 18.00 | 0.00 | 5.95% |
| 2. | Mrs. (Dr.) Sangeeta Gupta | Whole Time Director | 18.00 | 0.00 | 5.95% |
| 3. | Mr. Abhinav Gupta | Whole Time Director | 18.00 | 0.00 | 5.95% |
| 4. | Ms. Noor Gupta | Promoter Director | 0.00 | 0.00 | NA |

ASHNOOR TEXTILE MILLS LIMITED

| | | | | | |
|-----|---------------------------|----------------------|------|---------|----------|
| 5. | Mr. Anil Aggarwal | Independent Director | 0.25 | (93.75) | 428.308% |
| 6. | Mr. Sanjay Arora | Independent Director | 0.25 | (50.00) | 428.308% |
| 7. | Mrs. Divya Agarwal | Independent Director | 0.25 | 100.00 | 428.308% |
| 8. | Mr. Naresh Kumar Aggarwal | Independent Director | 0.25 | 100.00 | 428.308% |
| 8. | Girish Singh Adhikari | CFO | 8.46 | 0.00 | 12.66% |
| 10. | Yashima Saluja | Company Secretary | 4.80 | 0.00 | 22.31% |

The Company has not paid any Commission to Managing Director and Whole Time Director. The Company was having 287 permanent employees on the rolls of the Company. There is no increase in the median remuneration of the employees in the financial year. None of the employees of the Company is drawing remuneration as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has neither given any Loan nor Guarantee nor provided any security in connection with a loan , which is covered under section 186 of the Act. The Company has invested of additional funds for the time being available with the Company as given in note number 3 and 6 in Balance Sheet.

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

No complaint was received for sexual harassment by Internal Complaints Committee set up under the captioned Act in the financial year 2022-2023. Therefore, no complaint was pending for redressal on March 31, 2023.

ACKNOWLEDGMENT

Your Directors place on record its appreciation for the wholehearted support and valuable co-operation extended to the Company by the Banks, Central and State Government Authorities, Stock Exchange, Regulatory Authorities and stakeholders for their continued co-operation and support to the Company and also express their gratitude and thanks to Shareholders, Customers, Suppliers, other business associates and employees at all level.

By the order of the Board

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Sd/-
Sangeeta Gupta
Director
DIN-00052121

Place: Gurugram
Date: July 21, 2023

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE-I

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

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

1. CONSERVATION OF ENERGY

Conservation of energy is a high priority area for the Company and the Company always tries to conserve/efficiently utilize the energy as it plays a vital role in the profitability of the Company.

a) Energy Conservation Measures Taken

- This year also the Company continued to modernize the plant and machinery by incurring Rs. 910.35 Lakh. The new machines are always more energy efficient than older ones.
- The Company continued to control potential areas where it may suffer energy loss
- It has already directed all the employees at all levels to avoid wastage of electricity by effective utilization of computers machines, switching off all computers, AC System and light when not required.

b) Utilization of alternative sources of energy

- Presently, the Company is not using any alternate sources of energy. But, trying to conserve energy at all levels.

c) Capital Investment in energy-conservative equipment

No significant investment is made in this financial year in equipment conserving energy directly.

2. TECHNOLOGY ABSORPTION

A. Research and Development

a) Specific areas in which R&D is carried out by the Company

- R&D is an integral part of production is carried out in a continuous manner.

b) Benefits derived as a result of R&D

- Cost reduction and energy conservation.

c) Future Plan of Action

- The Company continues to find out more ways to improve the quality of products and reduction in costs.

d) Expenditure on R&D

As mentioned above in para 2(A)(a) R&D being an integral part of production is carried out continuously and, therefore, no separate records on expenses incurred on R&D are maintained.

ASHNOOR TEXTILE MILLS LIMITED

B. Technology absorption, adaptation and innovation

There is no new technology absorption, adaptation and innovation during the financial year. However, the company is making continued efforts to improve in the existing technology being used to increase efficiency wherever possible.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to export, the initiatives taken to increase exports, development of new export markets for products and export plans

The Company always tries to increase exports in existing markets as well as in new markets. During the year, more than 75% of total revenue from operations was generated in foreign exchange.

b) Total foreign exchange earned and used during the financial year Income in Foreign Currency

Rupees in Lakh

| Particulars | 2022-2023 | 2021-2022 |
|---|------------------|------------------|
| FOB value of Export of Terry Towels (Realization basis) | 13,502.51 | 23,199.30 |

Expenditure in Foreign Currency

| Particulars | 2022-2023 | 2021-2022 |
|-----------------------------|------------------|------------------|
| Stores and Spares | 27.00 | 58.43 |
| Foreign Travelling | 46.07 | 20.85 |
| Purchase of machinery | 683.01 | 701.36 |
| Total Expenditures | 756.08 | 780.64 |
| Net foreign exchange earned | 12,746.43 | 22,418.66 |

For Ashnoor Textile Mills Limited

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Sd/-
Sangeeta Gupta
Director
DIN-00052121

Place: Gurugram
Date: July 21, 2023

ASHNOOR TEXTILE MILLS LIMITED

Annexure-II

Annual Report on CSR Activities

(Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 [Including any statutory modification(s) or re-enactment(s) for the time being in force])

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance of provisions of the Companies Act, 2013, which includes Company's approach towards CSR activities which may be carried on by the Company as CSR, implementation mechanism, monitoring and evaluation, etc. The Company has deposited entire amount of CSR for the financial year 2020-2021 in Prime Minister's National Relief Fund. The Company will deposit entire unspent amount of Rs.15.38 Lakh for the financial year 2021-2022 on or before 31st March 2023. <https://www.ashnoortext.com/admin/pdf/Annual%20Returns-March%2031,%202023.pdf>

2. Composition of CSR Committee: Not Applicable

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------|-------------------------------------|--|--|
| 1. | Mr. Anil Aggarwal | Chairman/Non Executive Director | 2 | 2 |
| 2. | Mr. Sanjay Arora | Member/ Non Executive Director | 2 | 2 |
| 3. | Mr. Suneel Gupta | Member/Managing Director | 2 | 2 |
| 4. | Mrs. Sangeeta Gupta | Member/Whole Time Director | 2 | 2 |

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: Web-link of CSR Policy is: <https://www.ashnoortext.com/admin/pdf/CSR-Policy.pdf>.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

5. Average net profit of the company as per sub-section (5) of section 135: Rs.769.08 Lakh

| Serial Number | Particulars | Amount in Lakh |
|---------------|---|----------------|
| 1. | To Two percent of average net profit of the company as per section 135(5) | 15.38 |
| 2. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | 0.00 |
| 3. | Amount required to be set off for the financial year, if any | 0.00 |
| 4. | Total CSR obligation for the financial year(A+B+C) | 15.38 |

ASHNOOR TEXTILE MILLS LIMITED

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Nil**
 (b) Amount spent in Administrative Overheads: **Nil**
 (c) Amount spent on Impact Assessment, if applicable: **Nil**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Nil**
 (e) CSR amount spent or unspent for the Financial Year: **Nil**

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|------------------|--|------------|------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section 135. | | Amount transferred to any fund Specified Under Schedule VII as per second proviso to sub-section (5) of section 135* | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Nil | Nil | | | Nil | |

***The Company will transfer unspent amount for the financial year 2021-2022 to funds specified in Schedule VII shortly.**

- (f) Excess amount for set-off, if any: **Not Applicable**

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | |
| (ii) | Total amount spent for the Financial Year | |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | |

ASHNOOR TEXTILE MILLS LIMITED

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---------|-----------------------------|---|---|--|--|---------------------|--|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
| | | | | | Amount (in Rs) | Date of Transfer | | |
| 1 | 2020-21 | | | | 10.64 | 29.09.22 | | |
| 2 | 2021-22 | | | | 15.38 | Yet to be deposited | | |
| 3 | FY-3 | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---------|---|-------------------------------------|------------------|----------------------------|---|------|------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR | Name | Registered |
| | | | | | Registration | | address |
| | | | | | Number, if | | |
| | | | | | applicable | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135: **The Company will transfer the unspent amount to funds specified in Schedule VII within the specified time.**

For Ashnoor Textile Mills Limited

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Sd/-
Sangeeta Gupta
Director
DIN-00052121

Place: Gurugram
Date: July 21, 2023

ASHNOOR TEXTILE MILLS LIMITED

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The Corporate Governance Report is being prepared in compliance with Regulation 34(3) read with Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report referred to as "Listing Regulations"), and contains the details of Corporate Governance systems and processes at Ashnoor Textile Mills Limited ("the Company"). Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner that ensures accountability, transparency and fairness in all its dealings with all stakeholders, comprising regulators, employees, customers, vendors, investors and the society at large. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning.

a) Composition of the Board

The composition of the Board as on March 31, 2023, confirms Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter in this report referred to as "the act"). The Board of the Company is comprised of eight Directors with Executives, Non-Executive Promoter Directors, Non-Executive Independent Directors and Women Directors in Promoter and Independent categories. The composition of the Board and category of Directors as on March 31, 2023, is as follows:

| | | | |
|----|---------------------------|---|---|
| 1. | Mr. Suneel Gupta | - | Managing Director and Chairman (Promoter) |
| 2. | Mrs. (Dr.) Sangeeta Gupta | - | Whole-Time Director (Promoter) |
| 3. | Mr. Abhinav Gupta | - | Whole Time Director (Promoter) |
| 4. | Ms. Noor Gupta | - | Non-Executive Director (Promoter) |
| 5. | Mr. Anil Aggarwal | - | Non-Executive Independent Director |
| 6. | Mr. Sanjay Arora | - | Non-Executive Independent Director |
| 7. | Ms. Divya Agarwal | - | Non-Executive Independent Director |
| 8. | Mr. Naresh Kumar Aggarwal | - | Non-Executive Independent Director |

None of the above Directors exceeds the limit of Directors as specified in section 165(1) and proviso thereof of the Companies Act, 2013 and Regulation 26 of the Listing Regulation.

(b) Number of Board Meetings

During the year under review

- 7 (Seven) meetings of the Board of Directors were held on May 2, 2022, May 30, 2022; August 9, 2022; September 19, 2022; November 14; 2022; February 9, 2023, and March 28, 2023.
- The gap between the two Board Meetings did not exceed 120 days as enumerated in section 173 (1) of the Companies Act, 2013, and Regulation 17(2) of the Listing Regulations.
- The necessary quorum was present throughout all the meetings.
- The information required to be placed before the meeting as per the provisions of the Listing Regulations were, inter-alia, placed before the meeting and discussed/approved by the Board including information as per Regulation 17(7) of the Listing Regulations read with Part A of Schedule II.

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- The Board periodically reviewed the compliance reports of all laws applicable to the Company.
- The schedule of the Board meetings used to decide in advance, in consultation with Directors and communicated to them as per provisions of the Act read with relevant Rules and Secretarial Standards-1.

(c) Attendance of Directors in the Board Meetings, Annual General Meeting and their Directorships in other Companies

| Name of Directors | Attendance | | | Other Directorships/ Committee Memberships (in public companies) | | |
|---------------------------|---|-----------------------------------|----------------------------|--|----------------------|----------------------|
| | Number of Board Meetings held during the year | Number of Board Meetings attended | Last AGM attended (Yes/No) | Directorships in other public limited companies | Committee membership | Committees' Chairman |
| Mr. Suneel Gupta | 7 | 7 | Yes | -- | -- | -- |
| Mrs. Sangeeta Gupta | 7 | 6 | No | -- | -- | -- |
| Mr. Abhinav Gupta | 7 | 1 | No | -- | -- | -- |
| Ms. Noor Gupta | 7 | 1 | No | -- | -- | -- |
| Mr. Anil Aggarwal | 7 | 7 | Yes | -- | -- | -- |
| Mr. Sanjay Arora | 7 | 4 | Yes | -- | -- | -- |
| Ms. Divya Agarwal | 7 | 4 | No | -- | -- | -- |
| Mr. Naresh Kumar Aggarwal | 7 | 2 | No | -- | -- | -- |

All the promoters of the Company are relatives as per provisions in section 2(77) of the Companies Act, 2013 read with rule 4 of Companies (Specification of Definitions Details) Rules, 2014. None of the Non-executive Independent Directors is related to each other and Promoter Directors. None of the Non-executive Independent Directors holds any share in the Company as on March 31, 2022, except Mr. Sanjay Arora. He holds 420 equity shares originally allotted to him many years before he became Director of the Company. Ms. Noor Gupta, a Non-Executive Promoter Director, holds 445,828 (3.50%) equity shares.

All statutory and other important items/information including those envisaged in Listing Regulations, are regularly provided to the Board and the Committees thereof either as part of agenda papers well in advance of the Board Meetings, or are tabled in the course of the Meetings of the Board and/or its Committees to enable the Board/Committees to discharge their responsibilities effectively and to take informed decision. The Board is of the opinion based on declaration given by all the Independent Directors, all the independent directors fulfill the conditions specified in Listing Regulations and are independent of management.

The independent Directors on the Board of the Company are distinguished people who have wide experience in the field of various fields viz. business, industry, commerce, finance, company law and administration. They all play a very important role in the governance processes of the Board

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by bringing their expertise and experience in the deliberations of the Board, which enriches the decision-making process at the Board/Committees with different points of view and experiences and prevents conflict of interest. The Company's familiarization program explains the roles, rights, responsibilities of the Company and the natures of the industry in which the Company operates to the Independent Directors. A web link showing details of the familiarization program imparted on the web of are available on the website of the Company at the web-link: <https://www.ashnoortex.com/admin/pdf/Familiarization-Program.pdf>.

(d) Code of Conduct for Directors and Senior Management Personnel

The Company has adopted a Code of Conduct for all its Board Members and Senior Managerial Personnel in compliance with the provisions of Regulation 17 (5) of Listing Regulations. All the Board Members and the Senior Managerial Personnel have affirmed compliance with the Code of Conduct as on March 31, 2023, and a Declaration to this effect is attached with this Report. A copy of the code has been put on the Company's Website at the link: <https://www.ashnoortex.com/admin/pdf/Code-of-Conduct-For-the-Board-Members-and-Senior-Management.pdf>

(e) Skill/Expertise/Competence of the Board of Directors

The Company is carrying business of manufacturing, selling and export of terry towels, which requires expertise in various branches of quality control, operations, research and development, marketing, Finance, legal matters and logistics. The Board of Directors and Key Managerial Personnel possess the requisite skill, expertise and competence. Details of Directors having the above skills, expertise and competence are as follows:

| Serial Number | Name of Director | Designation | Skill/Expertise/Competence |
|----------------------|---------------------------|------------------------------------|---|
| 1. | Mr. Suneel Gupta | Managing Director | Administration, quality control, purchases, production and quality control, logistics |
| 2. | Mrs. Sangeeta Gupta | Whole Time Director | Administration |
| 3. | Mr. Abhinav Gupta | Whole Time Director | Marketing |
| 4. | Ms. Noor Gupta | Non Executive Director | Business Administration |
| 5. | Mr. Anil Aggarwal | Non-Executive Independent Director | FCS-Corporate and other Laws, Finance, Banking and investment |
| 6. | Mr. Sanjay Arora | Non-Executive Independent Director | All FCA. Finance, Auditing, Banking Investment |
| 7. | Ms. Divya Aggarwal | Non-Executive Independent Director | |
| 8. | Mr. Naresh Kumar Aggarwal | Non -Independent Director | |

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2. Committees of the Board

The terms of reference of the Board's Committees are determined by the Board from time to time. The Board has the following 4 (Four) Committees as on March 31, 2023:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee; and
- Corporate Social Responsibility (CSR) Committee.

All the decisions pertaining to the constitution of the Committee(s), the appointment of its Members, etc. and determine terms of reference from time to time are taken by the Board of Directors. The detailed role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided in the following paragraphs:

I. Audit Committee

(a) Composition and Attendance:

During the financial year 2022-2023, 4 (Four) meetings of the Audit Committee were held. These meetings were held on May 30, 2022, August 9, 2022, November 14, 2022, and February 9, 2023. The composition of the Audit Committee as on March 31, 2023, and meetings attended by the members of the Committee were as under:

| Serial Number | Name of Members | Status | Category | Number of Meetings held | Number of Meetings Attended |
|----------------------|---------------------------|---------------|------------------------------------|--------------------------------|------------------------------------|
| 1 | Mr. Anil Aggarwal | Chairman | Non-Executive Independent Director | 4 | 4 |
| 2 | Mr. Suneel Gupta | Member | Executive Director - Promoter | 4 | 4 |
| 3 | Ms. Divya Aggarwal | Member | Non-Executive Independent Director | 4 | 2 |
| 4. | Mr. Sanjay Arora | Member | Non-Executive Independent Director | 4 | 3 |
| 5. | Mr. Naresh Kumar Aggarwal | Member | Non-Executive Independent Director | 4 | 2 |

All the members are financially literate as per requirements of Explanations to Regulation 18(1) of Listing Regulations and have accounting, financial, investment, banking and management expertise. The Company Secretary acts as the Secretary at the meeting of the Audit Committee. The minutes of the Audit Committee Meeting were used to place before the Board and discussed in the meetings. The role of the audit Committee includes as given in Part-C (A) of Schedule-II of the Listing Regulations and it mandatorily reviews the information as given in Part-C (B) of Schedule-II of the Listing Regulations.

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(b) **Terms of Reference:**

The Committee governed as per the regulatory requirements mandated by the Act and Regulation 18 of Listing Regulations. The Terms of Reference of the Committee include:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by ;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and of the audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;

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- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, the performance of statutory and internal auditors, the adequacy of the internal control systems;
- reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and the scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle-blower mechanism;
- approval of the appointment of a chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- management discussion and analysis of the financial condition and results of operations;
- management letters/letters of internal control weaknesses issued by the statutory auditors; internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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II. Stakeholder Relationship Committee

(a) Composition and Attendance:

During the financial year 2022-2023, 3 (three) meetings of the Stakeholder Relationship Committee were held on May 30, 2022, August 9, 2022, and February 9, 2023. The composition of the Stakeholders Relationship Committee and details of the Members' participation at the Meetings of the Committee are as under:

| Serial Number | Name of Members | Status | Category | Number of Meetings held | Number of Meetings Attended |
|----------------------|------------------------|---------------|------------------------------------|--------------------------------|------------------------------------|
| 1 | Mr. Anil Aggarwal | Chairman | Non-Executive Independent Director | 3 | 3 |
| 2 | Mr. Suneel Gupta | Member | Executive Director-Promoter | 3 | 3 |
| 3 | Ms. Divya Aggarwal | Member | Non-Executive Independent Director | 3 | 2 |
| 4. | Mr. Sanjay Arora | Member | Non-Executive Independent Director | 3 | 2 |

The Committee has the power to consider and resolve all types of grievances/ requests of shareholders including transfer of shares, non-receipt of the annual report, issue of duplicate shares etc. The Company Secretary has been designated as the Chief Compliance Officer as per the requirements of the Listing Regulations. The minutes of each Stakeholders Relationship Committee Meeting are placed before the Board of Directors for consideration.

(b) Terms of Reference:

The Committee is governed by the provisions mandated by the Act and Regulation 19 of Listing Regulations. The Terms of Reference of the Committee include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for the exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.
- Any other matter as may be delegated by the Board of Directors from time to time.

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At the beginning of the year, no Investor Grievance was pending. During the financial year under review, the Company received 1 (One) Investor Complaint and resolved the same. No complaint was pending as on March 31, 2023.

To regulate trading in securities by the Directors and designated persons the Company has adopted a “Code of Fair Disclosure” and also has maintained Structured Digital Database as per SEBI (PIT) Regulations, 2015.

III. Nomination and Remuneration Committee

(a) Composition and Attendance:

During the year under review, 1 (one) meeting of the Nomination and Remuneration Committee was held on July 29, 2022. The composition of the Nomination and Remuneration Committee is as under:

| Serial Number | Name of the Members | Status | Category | Number of Meetings held | Number of Meetings Attended |
|----------------------|----------------------------|---------------|------------------------------------|--------------------------------|------------------------------------|
| 1. | Mr. Anil Aggarwal | Chairman | Non-Executive Independent Director | 1 | 1 |
| 2. | Mr. Sanjay Arora | Member | Non-Executive Independent Director | 1 | 1 |
| 3 | Ms. Divya Aggarwal | Member | Non-Executive Independent Director | 1 | 0 |
| 4. | Naresh Kumar Aggarwal | Member | Non-Executive Independent Director | 1 | 1 |

Terms of Reference:

The Committee is governed by the provisions mandated by the Act and Regulation 19 of Listing Regulations. The Terms of Reference of the Committee include:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of the performance of independent directors and the board of directors;
- devising a policy on diversity of the board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

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- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Policy as approved by the Board is available on Company's website at the web link: <https://www.ashnoortex.com/admin/pdf/Nomination-and-Remuneration-Policy.pdf>.

(b) Performance Evaluation criteria for Independent Directors:

The Performance Evaluation criteria for Independent Directors are determined by the Committee as per the Evaluation Mechanism of the Company. An indicative list of factors that may be evaluated including attendance and participation by a Director, adherence to ethical standards and code of conduct and cordial inter personnel relations with other Directors.

(c) Remuneration of Directors

Details of remuneration paid to Managing/Whole Time Directors for the year ended March 31, 2023, are given below:

| | Amount in Lakh | | |
|-----------------------------------|--|--|---|
| Name and Designation | Suneel Gupta- Managing Director | Sangeeta Gupta- Whole time Director | Abhinav Gupta- Whole time Director |
| Sitting Fee | 0 | 0 | 0 |
| Consolidated Salary | 18.00 | 18.00 | 18.00 |
| Perquisites and Allowances | 0 | 0 | 0 |
| Commission Paid | 0 | 0 | 0 |
| Total Remuneration | 18.00 | 18.00 | 18.00 |
| Date of Re-appointment | January 10, 2023 | May 1, 2023 | February 1, 2022 |
| Period of Re-appointment | 3 years | 3 years | 3 years |

None of the non-executive Directors has any pecuniary relationship with the Company except to the extent of receipt of sitting fees for the meetings Board/Committee(s) of the Directors.

As per policy of the Company, any employee on senior level including employee Directors may be ceased by giving one month/three months (as applicable) notice to or by the Company. The Company has not issued any stock options during the financial year. There is no change In Senior Management.

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IV. Corporate Social Responsibility Committee

(a) Composition and Attendance:

The Company has formed a Corporate Social Responsibility (CSR) Committee as per provisions of the Companies Act, 2013. During the year under review, 2 (two) meetings of the Corporate Social Responsibility Committee were held on August 9, 2022, and February 9, 2023. The composition of the Corporate Social Responsibility Committee is as under:

| Serial Number | Name of the Members | Status | Category | Number of Meetings held | Number of Meetings Attended |
|----------------------|----------------------------|---------------|------------------------------------|--------------------------------|------------------------------------|
| 1. | Mr. Anil Aggarwal | Chairman | Non-Executive Independent Director | 2 | 2 |
| 2. | Mr. Sanjay Arora | Member | Non-Executive Independent Director | 2 | 1 |
| 3. | Mr. Suneel Gupta | Member | Managing Director | 2 | 2 |
| 4 | Mrs. Sangeeta Gupta | Member | Whole Time Director | 2 | 2 |

Terms of Reference:

Terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount to be spent on these activities;
- Monitor the Company's CSR policy periodically; and
- Institution of a transparent monitoring mechanism for the implementation of CSR projects.

The Company has adopted a policy on Corporate Social Responsibility as required under section 135 of The Companies Act, 2013 which is also available at the website of the Company at link given in Directors' Report.

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3. General Body Meetings

Location and time for the last three Annual General Meetings

| Year | Date | Venue | Time |
|-------------|--------------------|--|-------------|
| 2019-2020 | September 30, 2020 | Beharampur Road, Village Khandsa, District Gurugram, Haryana-122001 | 4:00 p. m. |
| 2020-2021 | September 30, 2021 | | |
| 2021-2022 | September 29, 2022 | | |

All the Annual General Meetings (AGM) were held through Video Conferencing and other Audio Visual Means and deemed venue for AGM was the registered office of the Company.

In Annual General Meeting held on September 30, 2020, the members passed one special resolution related to the reappointment of an Independent Director.

In Annual General Meeting held on September 30, 2021, the members passed two special resolutions related to the reappointment of a Independent Directors and one Whole Time Director.

In Annual General Meeting held on September 30, 2022, the members passed four special resolutions related to the reappointment of an Independent Director, the reappointment of a Managing Director, the reappointment of the Whole Time Director and payment of sitting fee.

During the year under review, no resolution was passed through postal ballot as required by the Companies as per section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014.

4. Means of Communication

| | |
|--------------------------|---|
| Quarterly Results | Quarterly Results are announced within forty-five days from the end of the respective quarter and are normally published in The Pioneer (English) and Veer Arjun (Hindi). |
| Any Website | www.ashnoortex.com |

The Company has not displayed official news releases and no presentation was made to institutional investors/analysts.

5. General Shareholders Information

(a) Date, Time and Venue of 40th Annual General Meeting (Proposed)

The 40th Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Monday, August 28, 2023, at 4:00 p. m. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") and be deemed to be held at the registered office of the Company.

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(b) Financial Calendar (tentative and subject to change)

The Company expects to announce the quarterly results for the year 2023- 2024, as per the following schedule:

| | | |
|-----------------------|---|--------------------------------|
| First Quarter | : | On or before August 14, 2023 |
| Second Quarter | : | On or before November 14, 2023 |
| Third Quarter | : | On or before February 14, 2024 |
| Fourth Quarter/Annual | : | On or before May 30, 2024 |

(c) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2022-2023.

(d) Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Tuesday, August 22, 2023, to Monday, August 28, 2023 (both days inclusive).

(e) Listing on Stock Exchanges

The Company's equity shares are listed on The Bombay Stock Exchange, Mumbai (BSE). The Company is yet to pay the Annual listing fees for the financial year 2023-2024.

Stock Code

BSE, Mumbai: 507872

(f) Market Information and Performance of Company's stock price in comparison to broad -based BSE Sensex

Prices in INR

| Month | Monthly High Price | Monthly Low Price | Monthly Closing Price |
|----------------|--------------------|-------------------|-----------------------|
| April 2022 | 72.80 | 53.10 | 57.70 |
| May 2022 | 60.00 | 44.80 | 48.10 |
| June 2022 | 49.95 | 39.00 | 41.75 |
| July 2022 | 44.85 | 36.80 | 39.50 |
| August 2022 | 47.70 | 38.80 | 43.15 |
| September 2022 | 44.50 | 37.70 | 40.30 |
| October 2022 | 48.00 | 39.35 | 45.50 |
| November 2022 | 47.60 | 36.85 | 40.50 |
| December 2022 | 44.90 | 38.60 | 41.90 |
| January 2023 | 44.25 | 39.50 | 41.80 |
| February 2023 | 43.75 | 33.65 | 34.60 |
| March 2023 | 37.95 | 26.75 | 28.49 |

Source: bseindia.com

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(g) Performance in comparison to broad-base indices such as BSE Sensex, CRISIAL Index etc.

| Month | Monthly Closing Sensex at BSE | Monthly Closing Price In Rupees |
|----------------|-------------------------------|---------------------------------|
| April 2022 | 56,009.07 | 57.70 |
| May 2022 | 52,632.48 | 48.10 |
| June 2022 | 50,921.22 | 41.75 |
| July 2022 | 52,094.25 | 39.50 |
| August 2022 | 57,367.47 | 43.15 |
| September 2022 | 56,147.23 | 40.30 |
| October 2022 | 56,683.40 | 45.50 |
| November 2022 | 60,425.47 | 40.50 |
| December 2022 | 59,754.10 | 41.90 |
| January 2023 | 58,699.20 | 41.80 |
| February 2023 | 58,795.97 | 34.60 |
| March 2023 | 57,084.91 | 28.49 |

Source: bseindia.com

(h) Registrar and Share Transfer Agents

Messrs Link Intime India Private Limited is Registrar and Share Transfer Agent. Presently, its office is situated at the following address:

Noble Heights, 1st Floor, Plot NH-2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058

(i) Share Transfer System

The Company/RTA has stopped the transfer of physical shares effective from April 1, 2019. Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt. Bad deliveries are promptly returned to depository Participants under the advice of shareholders.

(j) Distribution and Pattern of Shareholding

(i) Distribution of Shareholding of the Company as on March 31, 2023

| Range of Equity Shares (In Rupees) | Shareholders | | Share Capital Amount In Rupees | | | Share Capital Amount | |
|------------------------------------|---------------|------------|--------------------------------|--------------------|--------------------|----------------------|------------|
| | Number | % | Physical | NSDL Demat | CDSL Demat | Rupees | % |
| 0 – 5000 | 15,214 | 94.96 | 1,60,12,670 | 22,05,500 | 19,46,320 | 2,01,64,490 | 15.82 |
| 5,001 – 10,000 | 520 | 3.24 | 23,67,200 | 5,98,250 | 7,05,240 | 36,70,690 | 2.88 |
| 10,001 – 20,000 | 173 | 1.08 | 10,27,050 | 5,44,940 | 7,52,940 | 23,24,930 | 1.83 |
| 20,001 – 30,000 | 43 | 0.27 | 2,14,690 | 2,51,430 | 5,82,960 | 10,49,080 | 0.82 |
| 30,001 – 40,000 | 24 | 0.15 | 2,04,150 | 1,38,560 | 4,89,450 | 8,32,160 | 0.65 |
| 40,001 – 50,000 | 14 | 0.09 | 1,29,500 | 1,84,580 | 3,19,330 | 6,33,410 | 0.50 |
| 50,001 – 1,00,000 | 15 | 0.09 | 1,63,310 | 1,79,950 | 8,42,690 | 11,85,950 | 0.93 |
| 1,00,001 and Above | 19 | 0.12 | 1,14,100 | 7,39,42,520 | 2,35,41,160 | 9,75,97,780 | 76.57 |
| Total | 16,022 | 100 | 2,02,32,670 | 7,80,45,730 | 2,91,80,090 | 12,74,58,490 | 100 |

ASHNOOR TEXTILE MILLS LIMITED

(ii) Shareholding Pattern of the Company as on March 31, 2023

| Category of Shareholders | Number of Share holders | Number of Shares held | Percentage ofholding |
|---|--------------------------------|------------------------------|-----------------------------|
| Promoters | 4 | 9,279,841 | 72.81 |
| Financial Institutions, Mutual Funds and Banks | 0 | 0 | 0 |
| NRIs | 14 | 5,054 | 0.04 |
| Foreign Nationals | 7 | 13,258 | 0.10 |
| Individual shareholding-Nominal share capital upto Rs. 2 lakh | 15,740 | 29,61,151 | 23.23 |
| Individual shareholding-Nominal share capital over Rs. 2 lakh | 2 | 1,00,460 | 0.79 |
| Private Corporate Bodies | 52 | 30,845 | 0.24 |
| HUF | 49 | 56,979 | 0.45 |
| Clearing Members | 3 | 2,151 | 0.02 |
| Trust | 2 | 25,886 | 0.20 |
| NBFCs registered with RBI | 1 | 21,280 | 0.17 |
| Unclaimed Shares Suspense Account | 1 | 2,48,944 | 1.95 |
| Total | 15,875 | 1,27,45,849 | 100 |

Note: Difference in number of shares k(i) and k(ii) is due to clubbing of folios having similar Permanent Account Number.

(k) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments which are having an impact on the equity share capital of the Company.

- (l) The ISIN No. of the Company is INE372I01018. 84.13% of the total paid-up share capital had been dematerialized (including 1.95% unclaimed shares and 72.81% shares held by the promoters) as on March 31, 2023, with the two depositories.

(m) Plant Location

Behrampur Road, Village Khandsa
District Gurgaon, Haryana-122001

(n) Address for Correspondence

Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
District Gurgaon, Haryana-122001
Phone: 0124 4809755
E-mail: atml_delhi@yahoo.com

ASHNOOR TEXTILE MILLS LIMITED

6. Other Disclosures

(a) Related Party Transactions

During the year, the Company has not entered materially significant transactions with any related party, which is considered to have conflict with the interests of the Company at large. All the Directors and Key Managerial Personnel have made suitable disclosures, where they and/or their relatives have a personal interest. A detailed disclosure on related party transactions has been made at Note number 47 in Notes to Financial Statements. The Web link: for the policy on dealing with related party transactions is: <https://www.ashnoortex.com/admin/pdf/Poily-on-Related-Party-Transactions.pdf>.

(b) Penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority

During the previous financial year under review, The BSE has imposed a fine of Rs.10.97 Lakh for delay in complying with the requirements of various regulations of the Listing Regulations. The securities of the Company held by the Promoters were frozen from August 12, 2022 to August 26, 2022, due to the delay in payment of penalties. However, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during any year before the said financial year.

(c) Vigil Mechanism and Whistle Blower Policy

The Company has an adequate mechanism to provide adequate safeguard against victimization of employees and directors as per provisions of Section 177 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has a Vigil Mechanism and Whistle Blower Policy for directors and employees to report a genuine concern. It is affirmed that no person has been denied access to Audit Committee. Web link to the policy on the vigil mechanism has been provided in the Directors' Report.

(d) Subsidiary Company

The Company does not have any subsidiary/material subsidiary. However, the policy to determine material subsidiary is available on the Company website at: <https://www.ashnoortex.com/admin/pdf/Policy-for-Material-Subsidiary.pdf>.

(e) Risk Management

The Company has framed the procedures to inform the members of the Board about the different types of risk assessment and minimization procedure. However, the Company is not required to formulate Risk Management Committee. Disclosures related to Financial Risk, Liquidity Risk, Market Risk, Foreign Currency Risk, Interest Rate Risk, Credit Risk and managing the same are given in note number 33 (c) of the Audited Financial Statements.

(f) Utilization of Funds

The Company has neither raised any funds through preferential allotment/ qualified institutional placement during the financial year nor any proceeds pending for utilization as on March 31, 2023.

(g) Recommendation of Committees

The Board has accepted all the recommendations of the various committees, which were mandatorily required during the relevant financial year.

ASHNOOR TEXTILE MILLS LIMITED

(h) Payment of the fee to Statutory Auditors

The total fee of Rs. 1,00,000/- was paid for all the services to the Statutory Auditors.

(i) Loans and Advances

The Company has not given any loans and advances in the nature of loans to the firms/companies in which Directors are interested.

(j) Conditions of Corporate Governance

During the year, the Company has complied with all the applicable conditions of Corporate Governance requirements as stipulated in the Listing Regulations including requirements specified in regulations 17 to 27 and clauses (b) to (i) of Regulations 46(2) of the Listing regulations.

(k) Code of Conduct

The Company has framed a comprehensive Code of Conduct (the Code), as per provisions of the Act and Listing Regulations. The Code applies to all the Directors (including Independent Directors) and senior management personnel. This includes the duties of independent directors as laid down in the Act and provides guidance and support needed for the ethical conduct of business and compliance with provisions of all applicable laws. The said code has been circulated to all the Directors and Senior Management Personnel and they affirm compliance with the code of conduct every year. A declaration signed by the Managing Director is appended to this report. A web link to the code is given in the Directors' Report.

(l) Review of Directors' Responsibility Statement

The Board in its report has confirmed the preparation of annual accounts as per Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013 and sufficient care has been taken for maintaining adequate accounting records.

(m) Disqualification of Directors

None of Director of the Company is debarred or disqualified from being appointed or continuing as directors of the Company. A certificate from Messrs Anil Arora & Associates, Company Secretaries, stating that none of the Directors of the Company is disqualified from being appointed/continued as Director is attached to the Annual Report.

(n) Disclosure concerning demat suspense account/unclaimed suspense account

At present, the Company has 1561 Shareholders holding 248,944 shares, whose Shareholding are lying undelivered /unclaimed (Previous year: 249,294 shares of 1564 shareholders).

(o) Discretionary Requirements of Listing Regulations

(i) The Board of Directors

The Chairman of the Company is the Executive Chairman (Managing Director). All the Directors including Independent Directors are appointed/re-appointed by the Board/shareholders from time to time as per applicable provisions of the Companies Act, 2013 and the Listing Regulations. The Company appoints/re-appoints Independent Directors for 5 consecutive years.

ASHNOOR TEXTILE MILLS LIMITED

(ii) Members' Rights

The Company declares/publish quarterly, half-yearly and annual financial results in the English/ Hindi the newspapers and posts on the Company's website www.ashnoortex.com. The company does not send/mail the results to every member of the Company.

(iii) Unmodified Audit Report

There are no Audit Qualifications in the Company's financial statements for the financial year 2022-2023.

7. Compliance Certificate

The above Certificate was placed before the Board meeting held on May 30, 2023. The Compliance Certificate for Corporate Governance issued by the Statutory Auditors of the Company is annexed with this report.

8. CEO/CFO Certifications

The Managing Director of the Company has given annual certification as per Regulation 17(8) of Listing Regulations to the Board at its meeting held on May 30, 2023.

9. Other

(i) During the year, no complaint was filed and no complaint was pending at the beginning and end of the year under the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Sd/-
Sangeeta Gupta
Director
DIN-00052121

Place: Gurugram
Date: May 30, 2023

DECLARATION REGARDING CODE OF CONDUCT

I, Suneel Gupta, Managing Director, of the Company hereby certify that the Board members and Senior Management Personnel has affirmed compliance with the Code of Conduct for the financial year ended March 31, 2023 as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Place: Gurugram
Date: May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

AUDITORS' CERTIFICATE CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE

To the Members of Ashnoor Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2023, as stipulated in SEBI (Obligations and Disclosures Requirements) Regulation, 2015 (the Listing Regulations).

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

We have carried out an examination of relevant records of the Company in accordance with the "Guidance Note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India (the ICAI), the Standard of Auditing specified in section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the "Guidance Note on Reports or Certificates for Special Purposes", issued by the ICAI, which required, enter-alia, that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned the Listing Regulations during the financial year ended March 31, 2023

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

**For KSA & Co.
Chartered Accountants
(Firm's Registration No. 003822C)**

**Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967**

**Place: New Delhi
Date: May 30, 2023**

ASHNOOR TEXTILE MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Business Overview of Ashnoor Textile Mills Limited (ATML)

Ashnoor Textile Mills Limited is engaged in the manufacture and export of terry towels. It has only one plant located at Gurugram. The company generates more than 75% of its income from operations through the export of its product to the USA. So, the business prospects of the company are dependent on global, particularly the economic conditions in the USA, as well as the Indian economy.

B. Industry Structure and Development

India's textile sector provides livelihoods to millions of households and has the second largest employer, employing more than 40 million workers. The textile sector, generating formal and productive jobs, has the potential for broader social transformation, generating exports and growth. The terry towels form an integral part of the home-textile segment. The demand for terry towels varies across the countries depending upon various factors like population, demographics, living style, economic status, and climatic conditions. In India, terry fabrics are manufactured mainly in decentralized handloom and power looms sectors and only 10-15% of total terry fabric production was produced in the organized sector. We are one of the prominent terry towel manufacturers in the organized sector. Most of the organized sector units are engaged in catering to the market of export and also the quality segment of domestic markets.

Europe and USA continue to be the prime markets for terry towels but Indian exporters of terry towels have a comparative disadvantage in exporting to Europe due to tariff protection given to exports from other countries like Pakistan, Turkey and Bangladesh. So, the main focus of the company is to concentrate on exporting to the USA. According to the US Offices of Textiles and Apparels data, India caters to about 45% of the total import of terry towels imported by the country. Indian exporters have been able to capture the share due to easy cotton availability and favorable labor conditions.

C. Opportunities and Threats and Future Outlook Global Economic Conditions

The company is engaged in the manufacture and export of terry towels which are used mainly in the hotel industry. After COVID-19, the demand-supply dynamics have undergone volatile changes. In the financial year 2022-2023, there was a slowdown in demand due to a cooling down of the pent-up demand seen post covid. The raw material (cotton) prices went to extraordinarily high levels in the first half of the FY 2022-2023 which led to very high production costs and a slowdown in demand in the second half of the last financial year. The effect of an increase in capacities by the Indian manufacturers post Covid to fulfill pent-up demand also aggravated the impact of the slowdown in demand. There is also potential fear of the impact of likely recession in FY 2023-2024 due to financial tightening by the central banks of the world. All these factors suggest that the demand recovery will be gradual although it is felt that the worst is over in the industry. During the last six months, the prices of cotton yarn have cooled down to normal levels which is a positive development. The overall impact of a mixture of good and bad factors is considered that will result in gradual improvement in the performance of the company.

ASHNOOR TEXTILE MILLS LIMITED

D. Segment Reporting

The company has only one segment of activity namely Terry Towels, as per the definition of “Segment” according to the Accounting Standard-17 issued by the Institute of Chartered Accountants of India. The company’s performance in the said segment has been discussed in detail in this report.

E. Risks and Concern

For towels, the export demand in India is mainly driven by the US, the largest market for terry towels and the company primarily caters to exports to the US. The volatility in raw material prices and exchange rate fluctuations is another risk that can turn both favorable and unfavorable. The macro conditions in terms of demand slowdown and apprehended recession is also a matter of concern.

F. Internal Control Systems and their Adequacy

The Company maintains adequate systems of internal controls to ensure that all assets are safeguarded against loss from unauthorized use or disposition. The Company’s policies, procedures, and guidelines are in place. The Company also has adequate procedures for internal financial controls to detect and prevent fraud and protect the Company’s resources. The financial statements are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and a report on the Internal Financial Controls under clause (l) of sub-section (3) of Section 143 of the Companies Act, 2013 as given by the Independent Auditors and attached with Annual Report signifies that an adequate internal financial controls system over financial reporting is maintained and such financial controls over financial reporting were operating effectively as at March 31, 2023.

G. Financial and Operational Performance

During the year under review, the income of the company from operations decreased from Rs 261.10 crore in FY 2021-2022 to 175.57 crore in FY 2022-2023. The decline was due to a slowdown in the export markets due to monetary tightening by central banks and the cooling down of a sudden spurt in pent-up demand post-Covid 19. The profit after tax also reduced from Rs 895.53 crore in FY 2021-22 to Rs 612.43 crore in FY 2022-2023. The decline in profits was in line with the decline in sales. During the year the company has installed imported looms to further enhance its capacity. The said capital expenditure has been financed by internal accruals and term loans from the bank.

Although there has been a decline in activity, the company has maintained a comfortable liquidity position and liquidity and solvency ratios have improved implying the preparedness of the company to tap the next upturn in the business cycle. In the current year, the first quarter was also very slow though things are looking to normalize in the coming quarters.

H. Human Resources/Industrial Relations

The Company has always valued its human resources. It believes in the unlimited potential of each of its staff. Dedicated and efficient employees are great assets of the Company and the most important ingredient for achieving good performance. During the financial year, the overall industrial relations remained cordial in the Company.

ASHNOOR TEXTILE MILLS LIMITED

I. Accounting Treatment

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The Company had prepared the Financial Statements for the previous year by complying same Accounting Standards.

Details of significant changes in key financial ratios, along with details are given below:

| Ratios | As on 31.03.2023 | As on 31.03.2022 | Percentage change | Remarks/ Response |
|-----------------------------|---------------------|---------------------|----------------------|--|
| Current | 1.85 | 1.43 | 29.49 | Increased liquidity |
| Debt Equity | 1.25 | 1.94 | -35.28 | Improved ratio |
| Debt Service Coverage Ratio | 1.82 | 3.50 | -47.89 | |
| Return of Equity | 11.43% | 19.46% | -41.24 | Decreased due to decrease in sales and consequential profits |
| Inventory Turnover | 3.91 | 5.91 | -33.91 | Increased due to less sales but inventory levels maintained |
| Trade Receivable Turnover | 3.54 | 4.77 | -25.68 | Increased due to increased credit given to buyers |
| Trade Payable Turnover | 11.04 | 11.59 | -4.75 | Normal |
| Net Capital Turnover | 15.31 | 23.67 | -35.33 | Improved operations |
| Net Profit | 3.44% | 3.41% | 0.90 | Normal |
| Return on Capital Employed | 12.96% | 17.75% | -26.96 | Decreased due to decline in profits and sales |
| Return on Investment | 2.64% | 2.61% | 1.39% | Normal |

Disclaimer

Readers are cautioned that this discussion and analysis contains certain forward-looking statements. All these statements always have certain risks and uncertainties. Actual results could differ materially from those expressed or implied and the Company is not bound to publicly update or revise forwarding looking-statements. Therefore, readers are cautioned not to place undue reliance on these forwarding-looking statements.

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Sd/-
Sangeeta Gupta
Director
DIN-00052121

Place: Gurugram
Date: May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Ashnoor Textile Mills Limited
Behrampur, Khandsa Village,
Gurgoan-122001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ashnoor Textile Mills Limited having **CIN: L17226HR1984PLC033384** and having registered office at **Behrampur, Khandsa Village, Gurugram, Haryana-122001** (hereinafter referred to as 'the Company'), produced before us by the Company to issue this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA Portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

| Serial Number | Name of the Director | Designation of Director | DIN | Date of Appointment in the Company |
|----------------------|-----------------------------|------------------------------------|------------|---|
| 1 | Mr. Suneel Gupta | Managing Director | 00052084 | 21/01/1984 |
| 2 | Mrs. Sangeeta Gupta | Whole-time Director | 00052121 | 09/03/1994 |
| 3 | Mr. Abhinav Gupta | Whole-time Director | 02766867 | 01/10/2009 |
| 4 | Ms. Noor Gupta | Non-Executive Director | 03611790 | 09/12/2017 |
| 5 | Mr. Anil Aggarwal | Non-Executive Independent Director | 00224118 | 01/10/2015 |
| 6 | Mr. Sanjay Arora | Non-Executive Independent Director | 07815311 | 01/06/2017 |
| 7 | Ms. Divya Agarwal | Non-Executive Independent Director | 08016384 | 09/12/2017 |
| 8 | Mr. Naresh Kumar Aggarwal | Non-Executive Independent Director | 00224371 | 27/02/2021 |

ASHNOOR TEXTILE MILLS LIMITED

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Anil Arora & Associates
Company Secretaries**

Sd/-

Anil Kumar Arora

Proprietor

FCS Number: 5695

CP Number: 4775

UDIN: F005695E000663462

Place: New Delhi

Date: July 21, 2023

ASHNOOR TEXTILE MILLS LIMITED

FORM NUMBER- MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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]

**The Members,
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
Gurugram, Haryana-122001**

We have conducted the secretarial audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by **Ashnoor Textile Mills Limited**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on my verification of **Ashnoor Textile Mills Limited's** (hereinafter called 'the Company') 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, thereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

1. The Companies Act, 2013, (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956, ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing **{Not applicable as the Company has not received FDI, ECB nor made any Overseas Direct Investment during audit period under review}**; and
5. The following Regulations and Guidelines as prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, **{Not applicable as the Company has not issued any securities during the audit period under review}**;

ASHNOOR TEXTILE MILLS LIMITED

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, **{Not applicable as the Company has not granted any Option to the employees during the audit period}**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, **{Not applicable as the Company has issued any debt securities during audit period}**;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with clients **(Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period under review)**;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **{Not applicable as the Company has not get delisted its equity shares from any stock exchange during the period under review}**; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, **{Not applicable as the Company has not bought back any of its securities during audit period under review}**;
6. The BSE has imposed a fine of Rs.10.97 Lakh for the delay in complying with the requirements of various regulations of the Listing Regulations. The securities of the Company held by the Promoters were freeze from August 12, 2022, to August 26, 2022 due to delay in payment of penalties.
7. We have also examined compliance with the following Acts and rules made under these Acts, Orders and Rules are specifically applicable to the Company:
- a) The Handloom Act, 1985;
 - b) Central Silk Board Act, 1948;
 - c) The Textile Committee Act, 1963;
 - d) Cotton Central Order, 1986;
 - e) The Textile Undertaking Act, 1995;
 - f) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
 - g) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
 - h) Environment Protection Act and Rules made thereunder.

We have also examined compliance with the applicable clauses of the

- a) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India; and
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
8. The Company was required to incur Rs.15.38 Lakh for CSR and the same was not incurred. The short-term provisions for the same have been created in the Balance Sheet.

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

ASHNOOR TEXTILE MILLS LIMITED

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, Women Directors and Independent Directors as on March 31, 2023.

The Company has given adequate notice to all the applicable directors to schedule the Board/Committee Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance except where consent of the Directors was received for scheduling meetings at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and Committee meetings are carried out unanimously and views of dissenting members, if any, are captured and recorded as part of the minutes of meetings of the Board or Committee, as the case may be.

We further report that the compliance mechanism established by the Company and on the basis of certificates issued by the departmental heads of the Company taken on record by the Board of Directors at their meetings and report of Internal Auditors of the Company. We are of the opinion that the Company has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that as per the information given to us and the record produced before us the Company has transferred unclaimed shares to Demat Suspense Account of the Company.

We further report that during the audit period no other major action having a bearing on the Company's affairs in pursuance of the above-referred laws rules, regulations, guidelines and standards, orders etc. has taken place.

**For Anil Arora & Associates
Company Secretaries**

Sd/-

Anil Kumar Arora

Proprietor

FCS Number: 5695

CP Number: 4775

UDIN: F005695E000663451

Date: July 21, 2023

Place: New Delhi

PS: This report is to be read with our letter of even dated which is annexed as Annexure-"A" and forms an integral part of this report.

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

**The Members,
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
Gurugram, Haryana-122001**

Our report of even date is to be read alongwith this letter:

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

**For Anil Arora & Associates
Company Secretaries**

**Sd/-
Anil Kumar Arora
Proprietor
FCS Number: 5695
CP Number: 4775
UDIN: F005695E000663451
Date: July 21, 2023
Place: New Delhi**

ASHNOOR TEXTILE MILLS LIMITED

INDEPENDENT AUDITOR’S REPORT

**TO THE MEMBERS OF
ASHNOOR TEXTILE MILLS LIMITED**

Report on the standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ashnoor Textile Mills Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the statement of Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the Financial Statements and Auditors’ 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

ASHNOOR TEXTILE MILLS LIMITED

financial statements and our auditors' report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibility of Management for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone financial statements

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

ASHNOOR TEXTILE MILLS LIMITED

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

ASHNOOR TEXTILE MILLS LIMITED

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has mentioned details of pending litigations in Note No- 17 of Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. 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

ASHNOOR TEXTILE MILLS LIMITED

from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- v. 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 received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- vi. Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material mis-statement.
- vii. The company has not declared or paid any dividend during the year as per provisions of section 123 of the Companies Act, 2013.
- viii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For KSA & Co.
Chartered Accountants
(Firm’s Registration No. 003822C)

Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967
Place: New Delhi
Date: May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

Annexure 'A' to the Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Ashnoor Textile Mills Limited on the accounts of the company for the year ended 31st March, 2023]

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has not any Intangible Assets so does not require to maintain any records.
- (b) As explained to us, the major Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favor of the lessee) are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- (ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at the end of the year by the Management. In the case of inventories lying with third parties, certificates of stocks holding have been received. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees from Deutsche Bank, in aggregate, from banks or financial institutions on the basis of security of current assets i.e stock and book debts; quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;
- (iii) The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.
- (iv) The company has given loans to its wholly owned subsidiary companies and not given any guarantees and security according to provisions of section 185 and 186 of the Companies Act, 2013: and therefore, the provision of Clause 3(iv) of the said Order is not applicable to the Company.

ASHNOOR TEXTILE MILLS LIMITED

- (v) Based on our scrutiny of the company's records and according to the information and explanation provided by the management, in our opinion the Company has not accepted any deposits from the public within the meaning of Rule 2 of the Companies (Acceptance of Deposits) Rules, 2014 or any directives issued by the Reserve Bank of India.
- (vi) As informed to us, the Central Government has prescribed for maintenance of cost records under sub-section (1) of Section 148 of the Act and company has been maintained such accounts and records.
- (vii) In respect of statutory dues:
 - (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Tax Deducted at Sources, Goods and Service Tax and other material statutory dues applicable to it, with the appropriate authorities and According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Tax Deducted at Source, Goods and Service Tax and other material statutory dues in arrears/ were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- (viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- (ix)
 - (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
 - (b) Company is not declared willful defaulter by any bank or financial institution or other lender.
 - (c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained.
 - (d) According to the information and explanation given to us, funds raised on short term basis have not been utilized for long-term purposes.
 - (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
 - (f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

ASHNOOR TEXTILE MILLS LIMITED

- (x) (a) The company has not raised any money from initial public offer or further public offer (including debt instruments)
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (xii) In our opinion and to the best of our information and according to the explanations given by the management, we are of the opinion that the company is not a nidhi hence, in our opinion, the requirements of Clause 3(xii) of the Order do not apply to the company.
- (xiii) In our opinion and to the best of our information and according to the explanations given by the management, Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 and disclosed in Note No -47 of Financial Statements for the year ended March 31, 2023 and section 177 of Companies Act, 2013 is within the limit to the said company.
- (xiv) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- (xvi) In our opinion and to the best of our information and according to the explanations given by the management, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

ASHNOOR TEXTILE MILLS LIMITED

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The provisions of Section 135 towards corporate social responsibility are applicable on the company.
- (a) in respect of other than ongoing projects, the Company has not transferred the unspent amount to a fund specified in schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub section (5) of section 135 of the said act.
- (b) Not Applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For KSA & Co.
Chartered Accountants
(Firm's Registration No. 003822C)

Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967
Place: New Delhi
Date: May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls Under Clause (I) of sub section (3) of Section 143 of The Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Ashnoor Textile Mills Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with Guidance Note of Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about adequacy of the internal financial controls over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

ASHNOOR TEXTILE MILLS LIMITED

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction 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 the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detections of unauthorized accusation, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

Opinion

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

For KSA & Co.
Chartered Accountants
(Firm's Registration No. 003822C)

Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967
Place: New Delhi
Date: May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

BALANCE SHEET AS AT MARCH 31, 2023

| PARTICULARS | NOTE NUMBER | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|---|----------------|----------------------------------|----------------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| (a) Property, Plant & Equipment and Intangible Assets | | | |
| (i) Property, Plant and Equipment | 2 | 4,286.66 | 3,730.00 |
| (b) Financial Assets | | | |
| (i) Investments | 3 | 92.96 | 82.39 |
| (c) Other Non Current Assets | 4 | 126.41 | 131.01 |
| Current Assets | | | |
| (a) Inventories | 5 | 3,555.39 | 3,871.15 |
| (b) Financial Assets | | | |
| (i) Investments | 6 | 1,276.67 | 197.12 |
| (ii) Trade Receivables | 7 | 3,017.75 | 6,967.58 |
| (iii) Cash and Cash Equivalents | 8 | 285.62 | 851.25 |
| (iv) Other Bank Balances | 9 | 94.37 | 64.44 |
| (d) Other Current Assets | 10 | 1,091.60 | 2,023.16 |
| Total Assets | | 13,827.44 | 17,918.11 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 11 | 1,273.95 | 1,273.95 |
| (b) Other Equity | 12 | 4,388.01 | 3,775.58 |
| LIABILITIES | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 2,657.48 | 2,694.36 |
| (b) Provisions | 14 | 88.60 | 54.59 |
| (c) Deferred Tax Liability (Net) | 15 | 359.71 | 327.92 |
| (d) Other Non-Current Liabilities | 16 | 32.55 | 32.55 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 4,434.34 | 7,077.74 |
| (ii) Trade Payables | 18 | - | - |
| (a) total outstanding dues of MSME | | - | - |
| (b) total outstanding dues of other than MSME | | 276.58 | 2,004.33 |
| (b) Other Current Liability | 19 | 142.46 | 305.72 |
| (c) Provisions | 20 | 173.75 | 371.36 |
| Total Liabilities | | 13,827.44 | 17,918.11 |

Notes on Financial Statement 2 to 48

Significant Accounting Policies 1

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For KSA & Co.

Chartered Accountants

Firm Registration Number: 003822C

Sd/-

RASMI RANJAN JATI

Partner

Membership Number: 511397

UDIN: 23511397BGXYKT3967

For Ashnoor Textile Mills Limited

Sd/-

SUNEEL GUPTA

Managing Director

DIN-00052084

Sd/-

GIRISH SINGH ADHIKARI

Chief Finance Officer

PAN-AEPPA9502R

Sd/-

SANGEETA GUPTA

Whole Time Director

DIN-00052121

Sd/-

YASHIMA SALUJA

Company Secretary

ACS No. - 36764

Place: New Delhi

Date: May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | NOTE NUMBER | Year Ended March 31, 2023 ₹ In Lakh | Year Ended March 31, 2022 ₹ In Lakh |
|---|----------------|---|---|
| INCOME | | | |
| (I) Revenue from Operations | | | |
| (a) Sale of Products | 21 | 17,557.60 | 26,110.29 |
| (b) Sale of Service | | 137.86 | 75.44 |
| (II) Other Income | 22 | 83.37 | 46.48 |
| Total Income | | 17,778.83 | 26,232.21 |
| (III) Expenses | | | |
| (a) Cost of Material Consumed | 23 | 15,068.93 | 18,624.35 |
| (b) Purchase of Stock-in-Trade | 24 | 96.10 | 2,489.31 |
| (c) Change in Inventory of finished, work-in-progress and stock-in-trade | 25 | (650.85) | 547.23 |
| (d) Employee Benefit Expenses | 26 | 218.19 | 180.96 |
| (e) Finance Costs | 27 | 441.15 | 353.86 |
| (f) Depreciation Expenses | 2 | 391.70 | 368.60 |
| (g) Other Expenses | 28 | 1,432.43 | 2,461.40 |
| Total Expenses | | 16,997.65 | 25,025.72 |
| (IV) Profit Before Exceptional and Extraordinary Items and Tax | | 781.18 | 1,206.49 |
| (V) Extra Ordinary Items | 29 | 16.04 | (4.45) |
| (VI) Profit Before Tax | | 797.23 | 1,202.04 |
| (VII) Tax Expenses | | | |
| (a) Current Tax | | (135.00) | (305.00) |
| (b) Deferred Tax | | (31.79) | (1.50) |
| (c) MAT Credit Written Off | | (18.01) | - |
| (VIII) Profit For the Year | | 612.43 | 895.53 |
| (IX) Earning Per Equity Share | | | |
| (a) Basic Earning Per Share | | 4.80 | 7.03 |
| (b) Diluted | | 4.80 | 7.03 |
| (c) Weighted Average Number of Equity Shares | | 12,745,849 | 12,745,849 |

(X) Notes on Financial Statements 2 to 48

(XI) Significant Accounting Policies 1

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For KSA & Co.
Chartered Accountants
Firm Registration Number: 003822C

For Ashnoor Textile Mills Limited

Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Place: New Delhi
Date: May 30, 2023

Sd/-
GIRISH SINGH ADHIKARI
Chief Finance Officer
PAN-AEPA9502R

Sd/-
YASHIMA SALUJA
Company Secretary
ACS No. - 36764

ASHNOOR TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

| S. No. | PARTICULARS | As At | As At |
|-----------|--|------------|------------|
| | | 31-03-2023 | 31-03-2022 |
| | | ₹ In Lakh | ₹ In Lakh |
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit/(Loss) Before Tax and Extraordinary Items | 781.18 | 1,206.49 |
| | Adjustments for : | | |
| | Depreciation | 391.70 | 368.60 |
| | Other Income | 15.47 | 3.21 |
| | Interest Paid | 415.59 | 353.25 |
| | Profit on Sale of Assets | 16.04 | (4.45) |
| | Operating Profit Before Working Capital Changes | 1,556.95 | 1,929.59 |
| | Adjustments for: | | |
| | Trade and Other Receivables | 4,886.00 | (3,578.19) |
| | Inventories | 315.76 | (416.95) |
| | Trade Payments and Liabilities | (2,022.81) | 861.69 |
| | Cash Generated from Operations | 4,735.90 | (1,203.85) |
| | Interest Paid | 415.59 | 353.25 |
| | Net Gain/Loss on Foreign Currency Transactions | 378.93 | 510.16 |
| | Income Tax, Deferred and MAT | 184.80 | 306.50 |
| | CASH FLOW BEFORE EXTRAORDINARY ITEMS | 4,514.44 | (1,353.45) |
| | Extraordinary Items | 16.04 | (4.45) |
| | Net Cash from Operating Activities | 4,530.49 | (1,357.90) |
| B. | CASH FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets | 960.39 | 1,095.52 |
| | Sale of Fixed Assets | 28.08 | 5.31 |
| | Investments | (1,090.12) | (148.31) |
| | Interest and Other Income | (363.46) | (506.95) |
| | Net Cash from Investing Activities | (2,385.89) | (1,745.46) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Proceeds from Issue of Share Capital/Share Application | - | - |
| | Proceeds from Long Term Borrowings | (36.88) | 1,626.64 |
| | Proceeds from Other Borrowings | (2,643.40) | 2,249.73 |
| | Public Issue and Other Expenses | - | - |
| | Net Cash from Financing Activities | (2,680.28) | 3,876.38 |
| D. | NET INCREASE IN CASH AND CASH EQUIVALENTS | (535.69) | 773.01 |
| | Opening Balance of Cash and Cash Equivalents | 915.69 | 142.68 |
| | Closing Balance of Cash and Cash Equivalents | 379.99 | 915.69 |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board

| | | | |
|-------------------|---------------------|-----------------------|-------------------|
| Sd/- | Sd/- | Sd/- | Sd/- |
| SUNEEL GUPTA | SANGEETA GUPTA | GIRISH SINGH ADHIKARI | YASHIMA SALUJA |
| Managing Director | Whole Time Director | Chief Finance Officer | Company Secretary |
| DIN-00052084 | DIN-00052121 | PAN-AEPPA9502R | ACS No. - 36764 |

AUDITORS' CERTIFICATE

The Board of Directors
Ashnoor Textiles Mills Limited
Village Khandsa, Behrampur Road, District Gurgaon, Haryana-122001

We have examined the attached cash flow statement of Ashnoor Textiles Mills Limited for the year ended March 31, 2023. The statement has been prepared by the company in accordance with the requirement of listing agreement Clause 32 with stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the company.

For KSA & Co.

Chartered Accountants
(Firm's Registration No. 003822C)

Sd/-
RASMI RANJAN JATI
Partner

Membership Number: 511397
UDIN: 23511397BGXYKT3967

Place : New Delhi
Date : May 30, 2023

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE NO – 1

SIGNIFICANT ACCOUNTING POLICIES

a) Corporate Information

Ashnoor Textile Mills Limited “the Company” was incorporated on January 21, 1984 under the Companies Act 1956. The registered office of the Company is located at Behrampur, Khandsa Village, Gurgoan Haryana- 122001. The main objective of the Company is to manufacture and export of white terry towel.

b) Basis of Preparation and Presentation

- i. The financial statements have been prepared on the historical cost and accrual basis of accounting and are in compliance with the Indian Accounting Standards (referred to as “Ind AS”) notified under section 133 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and applicable provisions of the Companies Act, 2013.
- ii. Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”.
- iii. These financial statements are the Company’s first Ind AS standalone financial statements. Company’s financial statements are presented in Indian Rupees (‘), which is also its functional currency.

c) Property, plant and equipment

- i. Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

d) Depreciation

- i. Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013..
- ii. Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition.
- iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- iv. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
- v. Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.

e) Impairment of Assets

The **Carrying** amounts of assets are reviewed at each balance sheet if there is any indication of impairment based on internal/external factors. If any indications exist the recoverable value of assets is estimated. An Impairment loss is recognized whenever the carrying amount of an assets is exceeds its recoverable amount, the latter being greater of net selling price and value in use.

f) Capital Work in Progress

Expenditure incurred during construction period on Survey/ Studies/ Investigation/ Consultancy/ Administration/ Depreciation/ Interest etc and other expenditures during construction period is capitalized and treated as Capital-work-in-progress.

g) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

h) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Cash Flow Statement

Cash flow Statement is prepared in accordance with the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

j) Finance Cost

- i. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- ii. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
- iii. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

k) Inventories

- i. Inventory of raw material, packing material, fuels, consumables, dyes and chemicals, are valued on Lower of Cost and Net Realizable Value. Cost is calculated on First in First out (FIFO) basis of costing and is net of subsequently recoverable duties and taxes.
- ii. Stock in progress is valued at Lower of Cost and Net Realizable Value. Costs include raw material cost, ascertained on the basis of average cost of purchases, and direct cost incurred up to the stage of production of Grey Yarn, processing and fabrication. Inventory lying for more than six months is valued at half of cost of production.
- iii. Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than six months is valued at half of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.
- iv. Inventory of carpets and trading items is valued on lower of cost and net realizable value.
- v. Inventory of waste is valued on net realizable value.
- vi. Stores and Spares are charged to expenses on purchase and no inventory is maintained.

l) Investments

Long Term investments are valued at cost. Provision for decrease in market value of the short-term investment is created in the books as unrealized losses.

m) Retirement Benefits

Retirement benefits have been accounted for on accrual basis. Provision of Gratuity is created for the employees who became eligible after completing five years of services under the Payment of Gratuity Act, 1972. Provision of Gratuity has not been provided on the managerial remuneration.

n) Provisions, contingent liabilities and contingent assets

- i. A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
 - ii. Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
 - iii. Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.
 - iv. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
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ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

o) Revenue Recognition

- i. Sale is recorded on CIF value inclusive of freight, insurance and excise duty recovered from the customers. Sale is recognized on the date of dispatch of goods from factory.
- ii. Export Sale is recorded at the foreign currency exchange rate prevailing on the date of the transaction.
- iii. Sales are recorded on invoice value net of discounts and rebates.

p) Foreign Currency Transactions

- iv. Expenses and Income in foreign exchange are accounted for at the rates prevailing on the date of transactions and exchange differences on settlement of transaction are taken to the Profit and Loss Account.
- v. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- vi. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

q) Taxation

Deferred Tax:

Deferred tax is recognized, on timing differences, being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantially enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

r) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at historical cost that are attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

A. Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognized on a settlement date basis. After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

a. Classification and Measurement of Financial assets (other than Equity instruments)

i. Financial assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

ii. Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

b. Impairment of financial assets

- i. Subsequent to initial recognition, the Company recognizes expected credit loss (ECL) on financial assets measured at amortised cost. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses.
- ii. The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

iii. Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL. ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

iv. The impairment losses and reversals are recognised in Statement of Profit and Loss.

c. De-recognition of financial assets

- i. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
- ii. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

B. Financial liabilities:

- i. All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii. De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in Statement of Profit and Loss.

s) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share based Payments, leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

t) Earning Price Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

As per our report of even date attached

For KSA & Co.
Chartered Accountants
Firm Registration Number: 003822C

Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967

Place: New Delhi
Date: May 30, 2023

For Ashnoor Textile Mills Limited

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
GIRISH SINGH ADHIKARI
Chief Finance Officer
PAN-AEPA9502R

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Sd/-
YASHIMA SALUJA
Company Secretary
ACS No. - 36764

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE NUMBER - 2
PROPERTY, PLANT AND EQUIPMENT

₹ In Lakh

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|------------------------|---------------------|---------------------------------|-----------------------------------|---------------------|---|---------------------------------|-----------------------------------|---|--------------------------------|--------------------------------|
| | As at 01-04-2022 | Additions during the year | Adjustments during the year | As at 31-03-2023 | Opening Balance As at 01-04-2022 | Additions During the year | Adjustments During the year | Closing Balance As at 31-03-2023 | Balance As at 31-03-2023 | Balance As at 31-03-2022 |
| Tangible Assets | | | | | | | | | | |
| Land | 84.32 | | | 84.32 | - | - | - | - | 84.32 | 84.32 |
| Factory Building | 1,318.17 | 34.06 | | 1,352.23 | 731.94 | 41.65 | | 773.59 | 578.64 | 586.23 |
| Office Building | 25.58 | | | 25.58 | 21.52 | 0.88 | | 22.40 | 3.18 | 4.06 |
| Water Treatment Plant | 2.03 | | | 2.03 | 1.55 | - | | 1.55 | 0.49 | 0.49 |
| Electric Installation | 69.53 | | | 69.53 | 46.38 | 4.59 | | 50.97 | 18.57 | 23.16 |
| Plant and Machinery | 6,124.38 | 910.35 | (100.16) | 6,934.57 | 3,322.83 | 306.87 | (100.16) | 3,529.54 | 3,405.04 | 2,801.55 |
| ETP Plant | 68.26 | | | 68.26 | 28.59 | 6.48 | | 35.08 | 33.18 | 39.67 |
| Generator Set | 68.01 | | - | 68.01 | 65.36 | 0.22 | - | 65.59 | 2.42 | 2.64 |
| Furniture and Fixture | 20.24 | 3.55 | | 23.80 | 8.71 | 2.26 | | 10.97 | 12.83 | 11.54 |
| Office Equipment | 10.79 | 4.40 | | 15.19 | 3.56 | 2.78 | | 6.34 | 8.85 | 7.23 |
| Computers | 3.43 | 1.33 | - | 4.76 | 1.72 | 1.51 | - | 3.22 | 1.54 | 1.71 |
| Vehicles | 384.05 | 6.70 | (60.25) | 330.50 | 216.65 | 24.46 | (48.21) | 192.90 | 137.60 | 167.40 |
| Grand Total | 8,178.80 | 960.39 | (160.41) | 8,978.79 | 4,448.80 | 391.70 | (148.37) | 4,692.12 | 4,286.66 | 3,730.00 |
| <i>Previous year</i> | <i>7,137.64</i> | <i>1,095.52</i> | <i>(54.36)</i> | <i>8,178.80</i> | <i>4,124.79</i> | <i>368.60</i> | <i>(44.59)</i> | <i>4,448.80</i> | <i>3,730.00</i> | <i>3,012.85</i> |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|---|---|
| 3 NON CURRENT INVESTMENTS | | |
| Long Term Trade Investments | | |
| Investment in Equity Instruments: Quoted at Cost | | |
| Nil (8,325) Equity Shares of Anant Raj Indus Limited | - | 5.43 |
| 19 (19) Share of Sovereign Gold Bond | 0.96 | 0.96 |
| Investments in Unit Link Plan- Quoted at Cost | 92.00 | 76.00 |
| | 92.96 | 82.39 |
| Market Value of Quoted Investments | 7.04 | 6.94 |
| Net Asset Value of Investment in Mutual Fund/ULP | 115.17 | 99.17 |
| 4 OTHER NON CURRENT ASSETS | | |
| (Unsecured and Considered Good) | | |
| Advance other than Capital Advances | | |
| Security Deposits | 26.41 | 31.01 |
| Other Advances | 100.00 | 100.00 |
| | 126.41 | 131.01 |
| 5 INVENTORIES | | |
| (As certified by the management and valued at lower of cost and net realizable value) | | |
| a) Raw Materials | 676.55 | 1,602.57 |
| b) Stock-in-progress | 1,161.51 | 1,099.45 |
| c) Finished Goods | 1,541.43 | 977.37 |
| d) Rejected Stock | 44.42 | 19.70 |
| e) Stores and Spares | 131.48 | 172.06 |
| | 3,555.39 | 3,871.15 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|---|---|
| 6 INVESTMENT- CURRENT | | |
| Short Term Trade Investments | | |
| Investment in Equity Instruments: Quoted at Cost | | |
| 100 (100) Equity Shares of IDFC First Bank | - | 0.04 |
| 20,000 (Nil) Equity Shares of Aditya Birla Capital | 27.15 | - |
| 10,000 (Nil) Equity Share of Birlasoft Limited | 31.49 | - |
| 20,000 (Nil) Equity Share of B O I | 16.75 | - |
| 20,000 (Nil) Equity Share of Federal Bank | 27.51 | - |
| 60,000 (Nil) Equity Share of GMR Airport Infra Limited | 26.34 | - |
| 60,100 (100) Equity Share of IDFC Bank Limited | 30.05 | - |
| 27,300 (Nil) Equity Share of Indian Railway Fin Corp Ltd | 9.09 | - |
| 20,000 (Nil) Equity Share of Kirlosker Electr Co | 17.22 | - |
| 15,000 (Nil) Equity Share of N L C India Limited | 12.30 | - |
| 20,000 (Nil) Equity Share of Rashtriya Chem | 25.55 | - |
| 100,000 (Nil) Equity Share of Ratan India Power Limited | 4.45 | - |
| 150,000 (Nil) Equity Share of South Indian Bank | 21.88 | - |
| 330 (Nil) Equity Share of S R F | 8.49 | - |
| 48,000 (Nil) Equity Share of B O B | 77.14 | - |
| 10,000 (Nil) Equity Share of Bombay Dyeing | 10.30 | - |
| 30,380 (Nil) Equity Share of Canara Bank | 92.00 | - |
| 50,000 (Nil) Equity Share of Central Bank of India | 9.30 | - |
| 10,000 (Nil) Equity Share of General Insurance Co | 18.15 | - |
| 1,500 (Nil) Equity Share of G N F C | 10.95 | - |
| 25,000 (Nil) Equity Share of Indiabulls Real Esta | 21.10 | - |
| 50,000 (Nil) Equity Share of L & T Finance Holdings | 42.56 | - |
| 6,000 (Nil) Equity Share of Maharashtra Seamless | 24.90 | - |
| 110,000 (Nil) Equity Share of P N B | 52.47 | - |
| 10,000 (Nil) Equity Share of Power Finance Corporation | 12.10 | - |
| 2,000 (Nil) Equity Share of Radico Khait | 20.62 | - |
| 6,598 (Nil) Equity Share of R B L Bank | 12.29 | - |
| 10,000 (Nil) Equity Share of Rec Limited | 10.80 | - |
| 20,000 (Nil) Equity Share of The New India Assura | 25.35 | - |
| 100,000 (Nil) Equity Share of Yes Bank | 17.40 | - |
| 50,000 (Nil) Equity Share of Suzlon Energy Limited | 5.13 | - |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|---|---|
| 10,000 (Nil) Equity Share of Tata Power Company | 22.83 | - |
| 98,400 (Nil) Equity Share of UCO Bank | 14.76 | - |
| 25,000 (Nil) Equity Share of Union Bank of India | 23.23 | - |
| Investment in Mutual Fund- Quoted at Cost | | |
| Baroda Dynamic Equity Fund | 10.00 | 10.00 |
| Canara Robeco Emerging Equities Collection Fund | 30.00 | 20.00 |
| Canara Robeco Flexi Cap Fund | 18.00 | 12.00 |
| Dsp Equity Opportunities Fund (G) | 28.00 | 24.00 |
| Dsp Flexi Cap Fund(G) | 72.00 | 24.00 |
| Dsp India T.I.G.E.R. Fund (G) | 5.00 | 5.00 |
| Hdfc Banking And Financial Services Fund | 12.00 | - |
| Hdfc Business Cycle Fund | 29.00 | - |
| HDFC Flexi Fund | 32.00 | 8.00 |
| HDFC Large And Midcap Fund | 15.00 | 12.00 |
| Kotak Equity Opportunity Fund | 32.00 | 24.00 |
| Kotak Focused Equity Fund | 32.00 | 24.00 |
| SBI Banking & Financial Services Fund | 3.00 | - |
| SBI Contra Fund | 3.00 | 3.00 |
| SBI Flexicap Fund | 1.00 | 1.00 |
| SBI Large And Midcap Fund | 3.00 | 3.00 |
| Sbi Technology Opportunities Fund | 1.00 | - |
| Tata Banking And Financial Services Fund | 12.00 | - |
| Tata Business Cycle Fund | 5.00 | - |
| Tata Digital India Fund | 5.00 | - |
| UTI- Flexi Cap Fund (G) | 64.60 | 14.20 |
| U-Infrastructure Fund (G) | 27.94 | 6.34 |
| Uti- Transportation & Logistics Fund (G) | 24.00 | 6.00 |
| Uti-Mid Cap Fund (G) | 1.30 | 0.10 |
| Uti-Banking And Financial Services Fund (G) | 5.24 | 0.44 |
| Bob Mutual Fund | 15.00 | - |
| Kotak Business Cycle Fund | 9.00 | - |
| | 1,276.67 | 197.12 |
| Market Value of Quoted Investments | 1,254.44 | 47.49 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|---|---|
| 7 TRADE RECEIVABLES | | |
| (Unsecured and Considered Good) | | |
| Outstanding for a period less than six months from the date they are due for payment :- | 2,686.33 | 6,566.25 |
| Outstanding for a period More than six months from the date they are due for payment :- | 331.41 | 401.34 |
| | 3,017.75 | 6,967.58 |
| 7.1 Confirmation from customers were not received and their balances are shown as appearing in the accounts. | | |
| 8 CASH AND CASH EQUIVALENTS | | |
| a) Balances with Banks: | | |
| Current Accounts | 276.92 | 760.59 |
| b) Cash on Hand | 8.70 | 90.66 |
| | 285.62 | 851.25 |
| 9 OTHER BANK BALANCES | | |
| In Bank Deposits* | 94.37 | 64.44 |
| | 94.37 | 64.44 |
| * Represents Bank deposit with original maturity over three months from the date of balance sheet. it includes balance with banks to the extend heal as margin money or security against the borrowings, guarantees and other Commitments. | | |
| 10 OTHER CURRENT ASSETS | | |
| Advance Tax and TDS | 132.68 | 316.76 |
| Receivable from Government Authorities | 709.76 | 1,288.43 |
| MAT Credit | - | 18.01 |
| Others | 249.16 | 399.95 |
| | 1,091.60 | 2,023.16 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Comparative figures for the previous years have been regrouped, recast and rearranged wherever necessary to conform to current year's classification under Schedule-III of the Companies Act, 2013. Figures in parenthesis represent previous financial year's figures unless stated otherwise. Amounts are mentioned in Rupees in Lakh.

| PARTICULARS | As At | As At |
|--|-------------------|-------------------|
| | 31-03-2023 | 31-03-2022 |
| | ₹ In Lakh | ₹ In Lakh |
| 11 SHARE CAPITAL | | |
| AUTHORIZED | | |
| 12,750,000 (12,750,000) Equity Shares of Rs. 10/- each * | 1,275.00 | 1,275.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 12,745,849 (12,745,849) Equity Shares of Rs. 10/- each | 1,274.58 | 1,274.58 |
| Calls in Arrears | (0.63) | (0.63) |
| | 1,273.95 | 1,273.95 |

11.1 The reconciliation of shares outstanding is set out below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Number | Amount (₹ in Lakh) | Number | Amount (₹ in Lakh) |
| Equity Shares outstanding at the beginning of the year | 12,745,849 | 1,274.58 | 12,745,849 | 1,274.58 |
| Shares Issued during the year | - | - | | |
| Shares outstanding at the end of the year | 12,745,849 | 1,274.58 | 12,745,849 | 1,274.58 |

11.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per shares. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Dividend, if any, proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company in general meeting can't declare dividend in excess of the amount recommended by the Board. Dividend as declare in the ensuing Annual General Meeting shall be distributed within the period prescribed under the Companies Act, 2013.

In the event of winding up of the Company, Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

11.3 The details of Share Holders holding more than 5% shares:

| Name of Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|---------------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Mr. Suneel Gupta | 4,261,841 | 33.44% | 4,261,841 | 33.44% |
| Mrs. Sangeeta Gupta | 2,986,172 | 23.43% | 2,986,172 | 23.43% |
| Mr. Abhinav Gupta | 1,586,000 | 12.44% | 1,586,000 | 12.44% |

11.4 Details of Calls in Arrears

| Unpaid Calls | 31-03-2023 | 31-03-2022 |
|--------------|-------------|------------|
| By Officers | 0.63 | 0.63 |
| Total | 0.63 | 0.63 |

11.5 The Company has not issued any equity shares for consideration other than cash and has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding March 31, 2023.

11.6 Shares held by promoters at the end of the year

| Current Reporting Period | | | | % Change during the year |
|--------------------------|-------|--------------|-------------------|--------------------------|
| Promotor's Name | SL No | No of shares | % of total shares | |
| Mr. Suneel Gupta | 1 | 4,261,841 | 33.44% | Nil |
| Mrs. Sangeeta Gupta | 2 | 2,986,172 | 23.43% | Nil |
| Mr. Abhinav Gupta | 3 | 1,586,000 | 12.44% | Nil |
| Mrs. Noor Gupta | 4 | 445,828 | 3.50% | Nil |

| Previous Reporting Period | | | | % Change during the year |
|---------------------------|-------|--------------|-------------------|--------------------------|
| Promotor's Name | SL No | No of shares | % of total shares | |
| Mr. Suneel Gupta | 1 | 4,261,841 | 33.44% | Nil |
| Mrs. Sangeeta Gupta | 2 | 2,986,172 | 23.43% | Nil |
| Mr. Abhinav Gupta | 3 | 1,586,000 | 12.44% | Nil |
| Mrs. Noor Gupta | 4 | 445,828 | 3.50% | Nil |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|----------------------------------|----------------------------------|
| 12 RESERVES AND SURPLUS | | |
| (a) Security Premium | | |
| Opening Balance | 240.00 | 240.00 |
| Addition due to Issue of Shares during the Period | - | - |
| Closing Balance | 240.00 | 240.00 |
| (b) Capital Reserves | | |
| Opening Balance | 32.34 | 32.34 |
| Add: Current Year Transfer | - | - |
| Closing Balance | 32.34 | 32.34 |
| (c) Surplus | | |
| Opening balance | 3,503.25 | 2,607.71 |
| Add: Net Profit for the current year | 612.43 | 895.53 |
| Closing Balance | 4,115.67 | 3,503.25 |
| Grant Total (a+b+c) | 4,388.01 | 3,775.58 |
| 13 LONG TERM BORROWINGS | | |
| SECURED | | |
| From Bank - | | |
| - Term Loan (Refer Note No 13.2) | 1,612.88 | 1,749.77 |
| UNSECURED | | |
| - from Directors (Refer Note No. 13.4) | 1,044.59 | 944.59 |
| | 2,657.48 | 2,694.36 |
| 13.1 Schedule maturity of Long-term borrowings: | | |
| Current Maturity (Refer Note No 13.2, 13.3, 13.4) | | |
| Term Loans | 581.53 | 419.65 |
| Director's Loan- Unsecured | 261.68 | 1,325.48 |
| | 843.22 | 1,745.13 |
| Non Current Maturity (Refer Note No 13.2) | | |
| Term Loans | 1,612.88 | 1,749.77 |
| Director's Loan- Unsecured | 1,044.59 | 944.59 |
| | 2,657.48 | 2,694.36 |

Current maturity of long term borrowings are disclosed under "Short Term Borrowings" in Note Number -15 and Non Current maturity under "Secured Term Loan" in Note Number -13

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|---|----------------------------------|----------------------------------|
| 13.2 Term Loan paid during the year taken from Bank of Baroda for purchase of Machinery, secured by charge against respective Machineries and are repayable in 34 monthly instalments. Outstanding loan amount as on March 31, 2023 is Nil. | | |
| 13.3 Two additional Term Loan are taken during the year from Bank of Baroda for purchase of Machinery, secured by charge against respective Machineries and are repayable in 34 monthly instalments. Outstanding loan amount as on March 31, 2023 is Rs. 618.51 Lakh. | | |
| 13.4 Additional Working Capital Term Loan (AWCTL) of Rs. 750 Lakh and Rs. 5.5 Lakh are taken during the year from Bank of Baroda to meet the liquidity mismatch due to COVID 19 pandemic in addition to existing facility under scheme of BGECLS 1.0 (extension).The term loan are repayable in 5 years from the date of disbursement, including moratorium period of two years for principal amount. The Principal shall be repaid in 36 equal instalments interest after moratorium period is over. | | |
| 13.5 Unsecured loans have been taken from the directors are not carrying any interest. | | |
| 14 LONG TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| (a) Gratuity (unfunded) | 29.94 | - |
| (b) Bonus | 27.61 | 31.38 |
| (c) Leave Encashment (unfunded) | 31.04 | 23.20 |
| | 88.60 | 54.59 |
| 15 DEFERRED TAX LIABILITY (NET) | | |
| Difference of WDV of fixed assets between books and income tax | (1,494.52) | (1,212.79) |
| Disallowances under section 43B | 65.39 | 34.06 |
| Net Temporary Difference | (1,429.13) | (1,178.73) |
| Effective Rate of Income Tax | 25.17% | 27.82% |
| Deferred Tax Assets (Liability) | (359.71) | (327.92) |
| Less: Charged in Previous Year | (327.92) | (326.42) |
| Net Deferred Tax Assets (Liability) | (31.79) | (1.50) |
| 16 OTHER NON CURRENT LIABILITIES | | |
| Security Received | 10.50 | 10.50 |
| Others (Refer Note No 16.1) | 22.05 | 22.05 |
| | 32.55 | 32.55 |
| 16.1 Interest on late payment of Rs. 2,684,738/- (2021-2022 – Rs. 2,684,738/-) and Rs. 18,725/- (2021-2022 - Rs. 18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Appeal has been filed against this demand in the Court and provision has been created for this liability in the books of accounts. Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest and adjusted with this provision amount. | | |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At | As At |
|--|-----------------|------------|
| | 31-03-2023 | 31-03-2022 |
| | ₹ In Lakh | ₹ In Lakh |
| 17 SHORT TERM BORROWINGS | | |
| SECURED | | |
| Current Maturities of Long Term Debt (Refer Note No- 13.1) | 843.22 | 1,745.13 |
| - from Banks | | |
| (a) Packing Credit Limits (Refer Note No 17.1) | 2,589.36 | 3,248.58 |
| (b) Foreign Bills Discounted (Refer Note No 17.1) | 1,001.76 | 2,084.04 |
| | 4,434.34 | 7,077.74 |

17.1 Packing Credit, Foreign Bills Limits, Gold Card and Derivatives(Forward Contract) are availed from Bank of Baroda and are secured by hypothecation of present and future stock of raw materials, stock in progress, finished goods, stores and spares, books debts and outstanding receivables.

18 TRADE PAYABLES

| | | |
|--|---------------|----------|
| Micro, Small and Medium Enterprises | - | - |
| Other than Micro, Small and Medium Enterprises | 276.58 | 2,004.33 |
| | 276.58 | 2,004.33 |

18.1 Ageing of Trade Payables are reported in Note No 35 forming part of Financial Statements

18.2 The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act"), based on the information available with the Company:

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period | - | - |
| (b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period. | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006 | - | - |
| (d) the amount of interest accrued and remaining unpaid at the end of accounting period | - | - |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|---|----------------------------------|----------------------------------|
| 19 OTHER CURRENT LIABILITIES | | |
| Advance Received From Customers | 9.77 | 4.75 |
| Interest Accrued but not due | - | 3.67 |
| Other Payables | 114.87 | 265.69 |
| Statutory Dues | 17.83 | 31.60 |
| | 142.46 | 305.72 |
| 20 SHORT TERM PROVISION | | |
| (a) Provision for Employee Benefits | | |
| (i) Salary and Reimbursement | 17.38 | 45.34 |
| (ii) Employees Contribution To Provided Fund | 4.98 | 7.63 |
| (iii) Employees Contribution to ESI | 1.01 | 2.75 |
| (b) Others | | |
| (i) Income Tax | 135.00 | 305.00 |
| (ii) CSR Provision | 15.38 | 10.64 |
| | 173.75 | 371.36 |
| 21 REVENUE FROM OPERATION | | |
| (a) Sale of products | | |
| - Export | 13,784.42 | 23,199.30 |
| - Domestic | 3,016.21 | 1,773.56 |
| (b) Other Operating Revenues (Refer Note No- 21.1) | 756.97 | 1,137.43 |
| | 17,557.60 | 26,110.29 |
| 21.1 License received under Merchandise Exports from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (ROSC TL) has been recognized on cash basis i.e. when actual sale will happen. | | |
| 22 OTHER INCOME | | |
| (a) Net gain/(loss) on Sale of Investment | 14.52 | 1.27 |
| (b) Interest and Dividend | 15.47 | 3.21 |
| (c) Other Non Operating Income | 11.38 | - |
| (d) Rental Income | 42.00 | 42.00 |
| | 83.37 | 46.48 |
| 22.1 Statement of Realized Profit/(Loss) on sale of Investments | | |
| Sale of investment (Equity) realized | 14.52 | 1.27 |
| Sale of investment (Derivatives) realized | (25.56) | 9.42 |
| | (11.04) | 10.69 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At | As At |
|--|-------------------------|-------------------------|
| | 31-03-2023 ₹ In Lakh | 31-03-2022 ₹ In Lakh |
| 23 COST OF MATERIAL CONSUMED | | |
| Raw Material Consumed (Refer Note No 23.1) | 10,718.83 | 12,536.41 |
| Packing Material Consumed | 631.32 | 1,317.62 |
| Fuel Consumed | 741.70 | 903.34 |
| Dyes and Chemicals Consumed | 1,216.18 | 1,346.85 |
| Stores and Spares (Refer Note No 23.2) | 158.34 | 244.58 |
| Manufacturing Expenses | 1,602.57 | 2,275.56 |
| | 15,068.93 | 18,624.35 |

23.1 Value of imported and indigenous raw materials, stores and spare parts, components consumed and percentage of each to the total consumption:

| Particulars | 2022-2023 | |
|---------------------------|-----------|------------|
| | ₹ In Lakh | Percentage |
| Raw Materials: | | |
| Imported | | - |
| Indigenous | 10,718.83 | 100.00% |
| Stores and Spares: | | |
| Imported | 27.00 | 17.05% |
| Indigenous | 131.34 | 82.95% |
| Particulars | 2021-2022 | |
| | ₹ In Lakh | Percentage |
| Raw Materials: | | |
| Imported | - | - |
| Indigenous | 12,536.41 | 100% |
| Stores and Spares: | | |
| Imported | 58.43 | 23.89% |
| Indigenous | 186.14 | 76.11% |

23.2 IMPORTS (ON COST, INSURANCE AND FREIGHT BASIS)

| | | |
|-------------------|--------------|--------------|
| Stores and Spares | 27.00 | 58.43 |
| | 27.00 | 58.43 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|---|---|
| 24 PURCHASE OF STOCK IN TRADE | | |
| Purchase of Towels and Rugs | 95.43 | 2,485.37 |
| Purchase of Blankets | 0.67 | - |
| Purchase of Knitting Waste | - | 3.94 |
| | 96.10 | 2,489.31 |
| 25 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK IN PROCESS | | |
| Opening Stocks | | |
| Stock in Progress | 1,099.45 | 1,659.47 |
| Finished Goods | 997.07 | 984.27 |
| | 2,096.52 | 2,643.75 |
| Closing Stocks | | |
| Stock in Progress | 1,161.51 | 1,099.45 |
| Finished Goods | 1,585.86 | 997.07 |
| | 2,747.36 | 2,096.52 |
| Change in Inventory | 650.85 | (547.23) |
| 26 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and Incentives | 206.52 | 168.95 |
| Company's Contribution to PF and ESI | 2.48 | 3.00 |
| Staff Welfare | 9.20 | 9.01 |
| | 218.19 | 180.96 |
| 27 FINANCIAL COST | | |
| (a) Interest on Term Loan and Working Capital | 343.59 | 245.96 |
| (b) Net Loss on Foreign Currency Transactions | 25.56 | (4.40) |
| (c) Loss on sale of investment (Derivatives Transaction) | - | 5.02 |
| (d) Processing Charges and Bank Charges | 72.00 | 107.29 |
| | 441.15 | 353.86 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|---|---|
| 28 OTHER EXPENSES | | |
| (a) Clearing and Forwarding | 628.80 | 1,414.62 |
| (b) Sales Promotion and Documentation | 289.36 | 200.16 |
| (c) Commission | 205.47 | 432.01 |
| (d) Travelling and Conveyance | 60.61 | 28.33 |
| (e) Auditors' Remuneration | 1.00 | 1.00 |
| (f) Electricity and Water Expenses | 3.78 | 0.20 |
| (g) Rent, Rates and Taxes | 35.78 | 25.86 |
| (h) Insurance | 21.53 | 109.40 |
| (i) Vehicle Maintenance | 22.95 | 17.26 |
| (j) Communication Expenditure | 10.42 | 6.67 |
| (k) Fees and Subscription | 5.54 | 7.56 |
| (l) Office Maintenance | 4.19 | 7.25 |
| (m) Legal and Professional Charges | 51.93 | 45.58 |
| (n) Other Office Expenses | 75.68 | 154.86 |
| (o) CSR Expenses (PY 2021-22) | 15.38 | 10.64 |
| | 1,432.43 | 2,461.40 |
| 29 EXTRA ORDINARY ITEMS | | |
| Fixed Asset/Depreciation Written Back | - | (0.85) |
| Profit/(Loss) on Sale of Fixed Assets | 16.04 | (3.60) |
| | 16.04 | (4.45) |
| 30 EARNING PER SHARE | | |
| Basic and diluted Earning Per Share | | |
| Profit After Tax | 612.43 | 895.53 |
| Number of Equity Shares | 12,745,849 | 12,745,849 |
| Face value per Equity Share (Rs.) | 10.00 | 10.00 |
| Basic Earning Per Share | 4.80 | 7.03 |
| Diluted Earning Per Share (Rs.) | 4.80 | 7.03 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At | As At |
|-------------------------------|-------------|-------------|
| | 31-03-2023 | 31-03-2022 |
| | ₹ In Lakh | ₹ In Lakh |
| 31 PAYMENT TO AUDITORS | | |
| Audit Fee | 1.00 | 1.00 |
| | 1.00 | 1.00 |

32 Expenditure incurred during construction period of Rs. 34.06 Lakh (Note 2) have been capitalized and Transfer to Factory Godown under Building Block on March 30, 2023

33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its businesses.

(b) Categories of financial instruments

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|--|---------------------|---------------------|
| A: Financial Assets | | |
| Measured at amortized Cost | | |
| (i) Cash and Cash Equivalents | 285.62 | 851.25 |
| (ii) Other Bank Balances | 94.37 | 64.44 |
| (ii) Trade Receivables | 3,017.75 | 6,967.58 |
| (iii) Investment in Mutual Fund and Shares | 1,276.67 | 197.12 |
| (iv) Investment in Unit Linked and Shares | 92.96 | 82.39 |
| Total Financial Assets | 4,767.37 | 8,162.78 |
| B: Financial Liability | | |
| Measured at amortized Cost | | |
| (i) Borrowings | 7,091.82 | 9,772.10 |
| (ii) Trade Payables | 88.60 | 54.59 |
| Total Financial Liabilities | 7,180.42 | 9,826.69 |

(c) Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| PARTICULARS | As At | As At |
|--------------------|-------------------|-------------------|
| | 31-03-2023 | 31-03-2022 |
| | ₹ In Lakh | ₹ In Lakh |

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES- Continue

(i) Liquidity Risk

The Company's Current assets aggregate Rs. 9,321.41 Lakh (2022 - Rs. 13,974.71 Lakh) including Current Investments, Cash and cash equivalents and Other Bank Balances of Rs. 1,656.67 Lakh (2022 - Rs.1,112.81 Lakh) against an aggregate Current liability of Rs. 5027.14 Lakh (2022 - Rs. 9,759.15 Lakh).

Further, while the Company's total equity stands at Rs. 5,661.96 Lakh (2022 - Rs.5,049.54 Lakh) , it has non-current borrowings of Rs. 2,657.48 Lakh (2022 - Rs. 2,694.36 Lakh). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

(ii) Market Risk

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion and also as current investments. The market value of investments in such equity instruments as at 31st March, 2023 is Rs. 1,376.65 Lakh (2022 - Rs. 153.60 Lakh). Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(iii) Foreign Currency Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss as the company is engaged in exports and realises its sales in US dollars. Considering the countries and economic environment in which the Company operates, its operation are subject to risk arising from fluctuations in exchange rates in the countries to which it exports. The company adopts suitable hedging policy to mitigate the impact of forex fluctuations on routine operations.

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows:

| As at March 31, 2023 | US \$ | US \$ |
|-----------------------------|---------------|--------------|
| Financial Assets | 23.238 | - |
| Financial Liabilities | - | 12.180 |

(iv) Interest Rate Risk

The Company is also exposed to interest rate risk, changes in interest rates will affect future cash flows or the fair values of its financial instruments, principally debt because it borrow funds at different interest rate

(v) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial Liabilities

| Particulars | 31-03-2023 | 31-03-2022 |
|-----------------------------|------------|------------|
| Borrowings | 7,091.82 | 9,772.10 |
| Other financial liabilities | 175.01 | 338.27 |

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

(d) Fair value of financial assets and financial liabilities :

The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis

| Particulars | Fair Value Hierarchy (Level) | As At March 31, 2023 |
|--|------------------------------|----------------------|
| Financial Assets | | |
| (i) Cash and Cash Equivalents | Level 3 | 285.62 |
| (ii) Trade Receivables | Level 3 | 3,017.75 |
| (iii) Investment in Mutual Fund and Shares | Level 1 | 1,276.67 |
| (iv) Investment in Unit Linked and Shares | Level 1 | 92.96 |
| Financial Liabilities | | |
| (i) Borrowings | Level 3 | 7,091.82 |
| (ii) Trade Payables | Level 3 | 88.60 |

The fair value of remaining financial assets and liabilities approximate with the carrying amount recognized in the financial statements. There was no transfer between Level 1, Level 2 and Level 3 in the year. The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received or settled.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

| | | | |
|-----------|--|-------------------|-------------------|
| 34 | ACTIVITY IN FOREIGN CURRENCY | 31.03.2023 | 31.03.2022 |
| | Earnings in Foreign Currency (Realization Basis): | | |
| | FOB value of Export of Terry Towels | 13,502.51 | 23,199.30 |
| | Expenditure/Remittances in Foreign Currency: | | |
| | Stores and Spares | 27.00 | 58.43 |
| | Foreign Travelling | 46.07 | 20.85 |
| | Purchase of Machinery | 683.01 | 701.36 |
| | Net Earnings in Foreign Currency | 12,746.43 | 22,418.66 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakh

35 Trade Payables ageing schedule:

| | | |
|--|---------------|-----------------|
| Micro, Small and Medium Enterprises (MSME) | - | - |
| Other than Micro, Small and Medium Enterprises | 276.58 | 2,004.33 |
| Total | 276.58 | 2,004.33 |

Outstanding for following periods from due date of payment as at 31st March, 2023

| | < 1 Years | 1-2 Years | 2-3 Years | >3 Years | Total |
|--|---------------|-------------|-------------|----------|---------------|
| Micro, Small and Medium Enterprises (MSME) | Nil | Nil | Nil | Nil | Nil |
| Other than Micro, Small and Medium Enterprises | 268.20 | 7.51 | 0.87 | Nil | 276.58 |
| Total | 268.20 | 7.51 | 0.87 | - | 276.58 |

Outstanding for following periods from due date of payment as at 31st March, 2022

| | < 1 Years | 1-2 Years | 2-3 Years | >3 Years | Total |
|--|-----------------|--------------|--------------|----------|-----------------|
| Micro, Small and Medium Enterprises (MSME) | - | Nil | Nil | Nil | - |
| Other than Micro, Small and Medium Enterprises | 1,981.69 | 11.55 | 11.10 | Nil | 2,004.33 |
| Total | 1,981.69 | 11.55 | 11.10 | - | 2,004.33 |

36 Trade Receivables Aging

As on 31 March 2023

| Particulars | Outstanding for following periods from Due Date of Payment | | | | |
|---|--|-------------------|-----------|-----------|-----------|
| | < 6 Months | 6 Months > 1 Year | 1-2 Years | 2-3 Years | > 3 Years |
| (i) Undisputed Trade Receivables – Considered Good | 2,471.86 | 197.99 | 16.48 | - | - |
| (ii) Undisputed Trade Receivables – Considered Doubtful | - | 38.41 | 225.76 | - | - |
| (iii) Disputed Trade Receivable – Considered Good | - | - | - | - | 48.11 |
| (iv) Disputed Trade Receivable – Considered Doubtful | - | - | - | - | 244.90 |

As on 31 March 2022

| Particulars | Outstanding for following periods from Due Date of Payment | | | | |
|---|--|-------------------|-----------|-----------|-----------|
| | < 6 Months | 6 Months > 1 Year | 1-2 Years | 2-3 Years | > 3 Years |
| (i) Undisputed Trade Receivables – Considered Good | 6,566.25 | 58.52 | - | - | - |
| (ii) Undisputed Trade Receivables – Considered Doubtful | - | 117.05 | 225.76 | - | - |
| (iii) Disputed Trade Receivable – Considered Good | - | - | - | - | - |
| (iv) Disputed Trade Receivable – Considered Doubtful | - | - | - | - | - |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

37 RATIOS

| Ratio | Numerator | Denominator | 31-Mar-22 | 31-Mar-21 | % change |
|---------------------------------|---|--|------------------|------------------|-----------------|
| Current ratio | Current Assets | Current Liabilities | 1.85 | 1.43 | 29.49% |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 1.25 | 1.94 | -35.28% |
| Debt Service Coverage ratio | Net profit before taxes + Interest and lease payments+Non-cash operating expenses (Dep and other amortisations) | Interest & Lease Payments + Principal Repayments | 1.82 | 3.50 | -47.89% |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 11.43% | 19.46% | -41.24% |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 3.91 | 5.91 | -33.91% |
| Trade Receivable Turnover Ratio | Gross credit sales - sales return | Average Trade Receivable | 3.54 | 4.77 | -25.68% |
| Trade Payable Turnover Ratio | Gross credit purchases - purchase return | Average Trade Payables | 11.04 | 11.59 | -4.75% |
| Net Capital Turnover Ratio | Net sales | Current assets – Current liabilities | 15.31 | 23.67 | -35.33% |
| Net Profit ratio | Net Profit | Net sales | 3.44% | 3.41% | 0.90% |
| Return on Capital Employed | Earnings before interest and taxes | Total Assets- Total Current Liabilities | 12.96% | 17.75% | -26.96% |
| Return on Investment | Interest (Finance Income)+ dividend +capital gains | Investment | 2.64% | 2.61% | 1.39% |

- 38** 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.
- 39** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 40** The Company has not granted any Loans or Advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

41 Disclosure on Corporate Social Responsibility Expenses

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below

| Particulars | As at 31st March 2023 ₹ In Lakh | As at 31st March 2022 ₹ In Lakh |
|--|---------------------------------------|---------------------------------------|
| I) Gross amount required to be spent by the Company | 17.98 | 15.38 |
| II) Excess amount spent in current year/ provided in Last year and paid in current year | Nil | Nil |
| III) Amount Spent/provision made during the year: | | |
| Amount spent in Cash | | |
| a) Joy of Safety : Rider Safety Awareness | 0.00 | 0.00 |
| b) Assistance to Police | 0.00 | 0.00 |
| c) Development of Govt. Schools / Rural Development / Sanitisation | 0.00 | 0.00 |
| d) Donation under PMNRF | 0.00 | 0.00 |
| e) Community Health Support | 0.00 | 0.00 |
| Amount yet to be spent in cash (provision taken) * | | |
| a) Joy of Safety : Rider Safety Awareness | | |
| b) Community Health Support | | |
| Total | 0.00 | 0.00 |
| IV) Cumulative Excess/ (shortfall) (IV-(I-II)) | 17.98 | 15.38 |

The Company was required to incur Rs.15.38 Lakh for CSR and the same was not incurred. The short-term provisions for the same have been created in the Balance Sheet.

42 the company has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, as on date of Balance Sheet .

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|---|--|---------------------|---|
| Nil | Investments in securities | 0.00 | 0.00 |
| Enviroway Waste Water Solutions Private Limited | Receivables | 4.98 | Advance to Supplier |
| Nil | Payables | 0.00 | 0.00 |
| Nil | Shares held by struck-off Company | 0.00 | 0.00 |
| Nil | Other outstanding balances (to be specified) | 0.00 | 0.00 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

43 Registration of charges or satisfaction with Registrar of Companies

Following charges or satisfaction yet to be registered with the Registrar of Companies beyond the statutory period, details and reasons are as follows:

| Charge ID | Type of Loan | Charge Amount | Reasons |
|------------------|---------------------|----------------------|------------------------|
| 10066065 | Term Loan | 525.00 | Bank has not submitted |
| 100498309 | Adhoc Loan | 600.00 | No Dues Certificate to |
| 100547358 | Adhoc Loan | 600.00 | the Concern Person |
| 100640186 | Term Loan | 135.00 | |

44 The company has no holding or downstream companies as on the date of the Balance Sheet. So compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 does not require

45 The Company has not any Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as on the date of the Balance Sheet. So there are no requirements by the Company to disclose the effect of such Scheme of Arrangements which have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards'.

46 The Company has taken borrowings from banks on the basis of current assets i.e. Inventory and Receivables. The company has filed quarterly returns of current assets with the bank which are agreed with books of accounts.

47 RELATED PARTY DISCLOSURES:

(a) Following are related parties:

Key Management Personnel

| | |
|---------------------------|-------------------------|
| Mr. Suneel Gupta | Managing Director |
| Mrs. Sangeeta Gupta | Whole Time Director |
| Mr. Abhinav Gupta | Whole Time Director |
| Ms. Noor Gupta | Director |
| Mr. Naresh Kumar Aggarwal | Independent Director |
| Mr. Anil Agarwal | Independent Director |
| Mr. Sanjay Arora | Independent Director |
| Mr. Divya Agarwal | Independent Director |
| Mr. Girish Singh Adhikari | Chief Financial Officer |
| Miss Yashima Saluja | Company Secretary |

Significant Influence

Ashnoor Global LLC

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| | As At 31-03-2023 ₹ In Lakh | As At 31-03-2022 ₹ In Lakh |
|--|----------------------------------|----------------------------------|
| (b) Related party transactions: | | |
| Kay Management Personnel | | |
| Directors Salary | 54.00 | 40.50 |
| Sitting Fees | 1.00 | 0.50 |
| CFO Salary | 8.46 | 8.36 |
| Company Secretary Salary | 4.80 | 4.80 |
| Unsecured Loan From Director | | |
| Mrs. Sangeeta Gupta | 180.27 | 180.27 |
| Mr. Suneel Gupta | 214.80 | 529.30 |
| Mr. Abhinav Gupta | 292.72 | 894.01 |
| Ms. Noor Gupta | 618.50 | 666.50 |
| Significant Influence | | |
| Export Sale | - | - |
| Ashnoor Global LLC | - | 22.01 |

(c) No balance has been written off and written back of the related parties during the year

48 Approval of financial statements

The Financial Statements for the period ended 31st March 2023 were approved by the Board of Directors and authorised for issue on May 30, 2023.

As per our report of even date attached

For KSA & Co.
Chartered Accountants
Firm Registration Number: 003822C

Sd/-
RASMI RANJAN JATI
Partner
Membership Number: 511397
UDIN: 23511397BGXYKT3967

Place: New Delhi
Date: May 30, 2023

For Ashnoor Textile Mills Limited

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
GIRISH SINGH ADHIKARI
Chief Finance Officer
PAN-AEPPA9502R

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Sd/-
YASHIMA SALUJA
Company Secretary
ACS No. - 36764



ASHNOOR

ASHNOOR TEXTILE MILLS LIMITED

Behrampur Road, Village Khandsa
District Gurgaon, Haryana - 122 001